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TODAY: MONEY

The Hunt For Meteor Is On in Greenland

By Malcolm W. Browne
New York Times Service

NEW YORK — In the dead of the Arctic night on Dec. 9, flashes of light as bright as nuclear blasts lighted up the southern tip of Greenland, and Danish scientists have begun a search for what they believe was a gigantic meteor impact.

News of the huge fireball was reported this week in an e-mail message from the Niels Bohr Institute in Copenhagen. The dazzling flashes at 5:11 A.M. Greenland time were observed by the crews of three widely separated Scandinavian trawlers operating near the Greenland coast. A few minutes later seismic signals believed to be from the general area were detected by stations in Norway, Finland and Germany.

Based on observations by the three trawler crews, experts at the Bohr Institute, the Tycho Brahe Planetarium, the Copenhagen Astronomical Society and other Danish scientific institutions estimated that the main impact area for the presumably fragmented meteor was at about 61 degrees 25 minutes north latitude and 44 degrees 26 minutes west longitude. This is on the Greenland ice cap about 50 kilometers northeast of the coastal airport of Narsarsuag.

The Bohr Institute reported: "The flashes observed in conjunction with the meteorite were so bright as to turn night into daylight at a distance of 100 kilometers, and can be compared to the light of a nuclear explosion in the atmosphere. However, we stress that there is no reason to believe it was caused by other than natural causes."

Meteor impacts of that size are extremely rare.

The seismic signals picked up in Europe did not enable the scientists to determine the exact location of the impact site, but the Danish team hopes that an analysis of seismic records from Canada and other parts of the world will help.

The scientists plan to send a reconnaissance plane over the area when weather permits, but the prospect of spotting the impact from the air is uncertain. At this time of year Greenland is in darkness for most of each day, and snow falls almost constantly. Up to 40 inches may have fallen over the area since Dec. 9.

But two radar-equipped Euro-

See METEOR, Page 4

Koji Sasahara/The Associated Press

Traders at the Tokyo stock exchange taking a break Friday as the market plunged, while, below, people watched tumbling stock quotations outside a securites firm.

Susumu Takahashi/Reuters

Asian Tremors Spread

Kim Fails to Calm Korea's Markets

By Steven Mufson
Washington Post Service

SEOUL — South Korea's newly elected president, Kim Dae Jung, fought a losing battle Friday to bolster the confidence of financial markets, which fell sharply on fears that Mr. Kim would bend to labor unions and other domestic political pressures instead of taking tough economic-reform measures.

Despite repeated assurances from the president-elect and his aides, who said Mr. Kim intended to fully comply with guidelines set by the International Monetary Fund, the South Korean stock market dropped 5.1 percent, and the currency, the won, slipped 8.7 percent, to 1,618 won to the dollar.

Jay Yoo, Mr. Kim's chief of staff, said, "it will take some time" to solve South Korea's economic problems. "We'll work together with foreign investors and the IMF. I don't know how long it will take."

The government, hoping to persuade foreign banks to resume lending, said it would guarantee repayment of $10 billion of foreign-currency bank debt.

Meanwhile, the IMF and Japan sent an additional $3.58 billion in emergency loans, the second installment of the $60 billion bailout package announced Dec. 3.

Traders and business leaders said they were worried because Mr. Kim had initially balked at the terms of the IMF program for Korea, even though he later declared his full support for the plan.

On his first day as president-elect, Mr. Kim tried hard to dispel doubts about his determination to tackle South Korea's economic problems, which include a weak banking system, inefficient industrial conglomerates, and a debt crisis that threatens to strangle the world's 11th largest economy.

Mr. Kim told supporters to "prepare yourselves to endure, if needed, hardships together with me." Later, he said at a news conference: "Although it will be painful, it is the way we have to go at least once. Reform without pain is impossible."

He said his administration would throw open Korea's doors to foreign investors, who in the past have been barred from certain types of investments.

"We will create a new environment for foreign investors to invest in Korea without fear or reservation — a paradise for business," he said. "The government will do its part in inviting foreign investment and make sure they will be treated the same as our own people."

Analysts and investors are watching Mr. Kim's

See SEOUL, Page 13

Big Firm's Failure Rattles Japan

By Mitchell Martin
International Herald Tribune

NEW YORK — The failure of one of Japan's biggest food companies in the nation's third-largest bankruptcy sent world financial markets into a tailspin on Friday, pushing down share prices across Asia, Europe and the Americas.

The Tokyo and Seoul stock markets recorded 5 percent declines Friday, and most major European markets dropped more than 2 percent, amid rising fears over the state of Japanese finances, as well as a growing cash crunch in South Korea.

The Dow Jones industrial average plunged 269 points, its biggest drop since a 557-point decline on Oct. 27, before reducing its losses. The 30-stock index ended 90.21 points lower, or 1.15 percent, at 7,756.29.

The losses came a day after the food-trading house Toshoku Ltd. announced that it had filed for court protection from its creditors, citing debts of 639.7 billion yen ($5.03 billion) in the third-largest bankruptcy in Japan's postwar history. The announcement followed the failures last month of two banks and two brokerages, including Yamaichi Securities Co., once Japan's fourth-largest broker.

Heightening the perception that Japan's financial system is growing shakier, the rating agency Moody's Investors Service warned that it might lower the ratings of Sakura Bank Ltd., Japan's fourth-biggest lender, because of doubts over the quality of its assets. Sakura Bank is the main bank for Toshoku.

Analysts in Tokyo cited growing concern that the tax-reduction program announced this past week by Prime Minister Ryutaro Hashimoto would fail to invigorate the country's economy, Reuters reported.

"The news from Japan is all negative — the tax break will have a very limited impact, and now this bankruptcy," Simon Hurst, manager of equity dealing at ING Baring Securities (Japan) Ltd., told Bloomberg News. "It's up to Hashimoto to pull another rabbit out of the hat to save Japan."

The benchmark Nikkei 225 stock average fell 846.75 points, or 5.24 percent, to 15,314.89. It was the biggest one-day percentage fall in more than four weeks, and the first time it has closed below 15,400 in five weeks.

The failure Thursday of Toshoku Ltd. was taken by investors to mean that Japanese banks have restricted lending so much that they are contributing to the weakness in their country's economy.

See MARKETS, Page 10

Kim Favors Summit With North Korea

President-Elect Gives Priority to 'Direct Dialogue' in Search for Peace

By Nicholas D. Kristof
New York Times Service

SEOUL — President-elect Kim Dae Jung said Friday that he might seek a summit meeting between the two Koreas, and he proposed a broad dialogue between the two countries as the first step toward reconciliation.

North Korea did not officially respond, but an unofficial spokesman expressed cautious optimism in an interview, suggesting that the two nations may be able to ease tensions under Mr. Kim's administration.

Diplomats and other analysts in Seoul said that Mr. Kim's election on Thursday might have created far-reaching new possibilities for building trust between the two Koreas and for engaging the North. But they also warned that North Korea is unpredictable and that even if a thaw comes, it may take a long time to develop.

"Through direct dialogue between North and South Koreas, I will look for ways to solve the problems between our peoples," Mr. Kim said in his first policy statement, just hours after being chosen president in Korea's first transfer of power from the ruling party to the opposition.

"If necessary, I will propose a summit meeting with North Korean Communist Party representative Kim Jong Il," Mr. Kim added.

Mr. Kim's comments were not a departure from his past positions, for he has long called for steady improvements in ties between the two countries. But by raising the possibility of a summit and other exchanges just after his election, he put the issue of dialogue at the center of the national agenda and lent new impetus to the conciliation process.

"D. J. has been thinking long and

See KOREA, Page 13

AGENDA

104 Feared Dead in Crash in Sumatra

A Singaporean passenger jet crashed in a marsh in Indonesia on Friday, and all 104 people on board were feared killed.

Debris from the plane, a SilkAir Boeing 737-300 that was carrying 97 passengers and seven crew, was strewn across a marshland near Sungsang, a coastal town on the Indonesian island of Sumatra, officials said.

It was the third plane crash this week. A Tajik airliner crashed in the United Arab Emirates on Monday, killing 85 people, and a Ukrainian plane crashed in Greece on Wednesday, leaving 70 people dead. Page 2.

Michel Euler/The Associated Press

Trevor Rees Jones, the survivor of the Diana crash, going to court Friday in Paris. In response to her death, a British panel issued a tougher press code. Page 2.

Iraq Hiding Arms, UN Monitor Says

The chief UN disarmament monitor, Richard Butler, announced Friday at the United Nations that his team had "evidence, or reason to believe" that prohibited items have been or are being hidden at so-called presidential sites in Iraq. Mr. Butler's remarks followed his report to the UN Security Council on his recent trip to Baghdad to discuss Iraqi compliance with the weapons inspections imposed after the Gulf War. Page 4.

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UN Turns Up Heat on Washington

INTERNATIONAL Page 4.
The U.S. as Mideast Middleman

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The IHT on-line www.iht.com

Turk-Israeli Exercise: An Alliance Building Steam

By Lee Hockstader
Washington Post Service

ANKARA — When Operation Reliant Mermaid is launched early next month off the Mediterranean coast of Israel, it will not exactly rank among the modern world's most awesome displays of naval might.

"I'm not sure how many ships we're talking about — maybe five, six, seven, nothing very big," said a diplomat in Ankara knowledgeable about the search-and-rescue exercise. "Possibly a couple of choppers."

Still, few military maneuvers are likely to be more closely watched — or bitterly condemned — in the Arab world.

Innocent on its face — the scenario calls for coming to the aid of a foundering fishing vessel — Operation Reliant Mermaid is a red-button issue in the Middle East because it will team up Israel and Turkey in naval maneuvers for the first time. Both are non-Arab countries loathed by their Arab neighbors and by Iran, and both are key allies of the United States, which will also participate in the maneuvers.

The exercise symbolizes a deepening strategic alliance, launched in earnest two years ago, between two of the Middle East's most-unloved nations. Bound by common enemies, Israel and Turkey are rapidly turning a friendship of convenience into one of the more durable-looking alliances in a fractious region.

"In the Middle East, you take your friends where you can find them," said a Western diplomat in Ankara. "Both Turkey and Israel need a friend."

Nissan Amdor, an Israeli diplomat in Ankara, was even more blunt in describing what the two had in common. "I don't know if you know, but the Turks really hate Arabs very much," he said.

Driving the partnership is a mutual fear of Iran, Syria and Iraq. Turkey has accused Syria and Iraq, in particular, of harboring Kurdish separatist fighters of the Kurdish Workers' Party, which Ankara regards as terrorists. Both countries also worry about weapons programs in Iraq and Iran.

On the day Defense Minister Yitzhak Mordechai launched his first official visit to Ankara earlier this month, Turkey was being criticized by its supposed Muslim brothers at a summit meeting of Islamic

See MANEUVERS, Page 4

EU Survey Finds Wide Racism

Nearly a Third Admit to Being 'Quite' or 'Very' Prejudiced

By Barry James
International Herald Tribune

BRUSSELS — Nearly a third of the people questioned in a European Union survey of racism and xenophobia that was issued Friday described themselves as "quite racist" or "very racist."

Another third said they were racist to some extent, although not systematically. The rest said they did not consider themselves to be racists. The EU commissioner for social affairs, Padraig Flynn, called the poll's results "deeply shocking."

The survey, issued to coincide with the end of the European year against racism, was conducted this year among 16,000 people in all 15 EU member countries for the commission's Eurobarometer service.

Racist sentiment was highest in Belgium, where 22 percent of those questioned described themselves as "very racist," followed by France with 16 percent and Austria with 14 percent. The answers were said to reflect the existence of extreme-right anti-immigrant parties in the three countries.

The introduction to the poll said the response "shows a worrying level of racism and xenophobia in member states."

The most tolerant countries, according to the survey, were Luxembourg and Sweden, where 2 percent of those questions defined themselves as very racist, followed by Portugal with 3 percent and Spain with 4 percent.

The victims of racism and xenophobia varied from country to country, according to its colonial and migration history and the recent influx of refugees, such as Albanians in Italy.

The poll said that racist sentiments coexisted with "a strong belief in the democratic system and respect for fundamental and social rights and freedoms. A majority felt society should be inclusive and offer equal rights to all citizens, including those from immigrant and minority groups."

Even 20 percent of those who defined themselves as being "not at all racist" agreed with the statement that their country suffered a lot from the presence

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Newsstand Prices			
Andorra	10.00 FF	Lebanon	Ll. 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.7754	1.7745
Pound	1.6705	1.6655
Yen	129.28	128.66
FF	5.9485	5.9465

The Dow		
change	Friday close	previous close
-90.21	7756.29	7846.50

S&P 500		
change	Friday @ 4 P.M.	previous close
-8.54	946.76	955.30

Russia's Bastion of Cash and Politics

Moscow Mayor and His Insiders Forge Their Own Brand of Capitalism

The Moscow Times

Under Yuri Luzhkov, Moscow has become virtually a nation-state, a chaotic atoll of prosperity.

By David Hoffman
Washington Post Service

MOSCOW — When the new Russian market economy exploded into a frenzy of buying, selling and deal-making in the early 1990s, one small backwater of the Moscow city bureaucracy took on a new life.

The Moscow Committee on Science and Technology had been a marginal city department. The boss was Vladimir Yevtushenkov, a plastics engineer who soon discovered that the once-bountiful science budgets of the Soviet era had dried up.

Mr. Yevtushenkov's department had no money, but he had a friend, Yuri Luzhkov. Also a veteran of the Soviet chemical industry, Mr. Luzhkov became mayor of Moscow in 1992 as it blossomed into the most vibrant site of the nascent Russian capitalism.

Today, Mr. Yevtushenkov is an influential yet little-known figure in Mr. Luzhkov's City Hall, which, far more than a municipal government, has become a bastion of economic and political might in the New Russia.

One year after Mr. Luzhkov became mayor, Mr. Yevtushenkov turned his small city department into a company, also called the Moscow Committee on Science and Technology. Since then, he has built up a private, $1 billion conglomerate named Systema, which in Russian means "The System."

In Moscow, Systema is everything the name implies. Mr. Yevtushenkov and his companies are inextricably linked with the

See CAPITAL, Page 4

New British Press Code Hailed as 'the Toughest'

By Warren Hoge
New York Times Service

LONDON — The government commission that oversees the behavior of the press in Britain published a new code of conduct on Friday, seeking to curb invasions of privacy, intrusions into grief, harassment of photo subjects and exploitation of children.

Acting in response to the public outcry that followed the death on Aug. 31 of Diana, Princess of Wales, in the crash of a car pursued by photographers in Paris, the Press Complaints Commission issued rules that its chairman, Lord Wakeham, called "the toughest in Europe."

The language set out broad definitions of privacy that would bar photographers from snapping people in "public or private property where there is a reasonable expectation of privacy." It also banned "persistent pursuit" of subjects and held editors to account for knowing whether pictures they published had been obtained in conformity with the new code.

After the death of the princess, there were calls for legislation to rein in the press and expressions of doubt that the freewheeling British newspapers could be depended on to govern themselves.

But Sir David English, a former tabloid editor who is chairman of Associated Newspapers and head of the panel that drew up the new code, said that Friday's action showed that "press self-regulation can and does respond speedily to public concern."

Under the code, which goes into effect Jan. 1, newspapers will be punished for offenses by having to admit that they broke the rules and apologizing. Fines for infractions were ruled out, Sir David said, because "nothing is more effective than making a newspaper say, 'We done wrong.'"

In repeated polls, the British public has ranked journalists as the second-least-respected profession, with politicians at the bottom. Britons, however, also read newspapers in numbers that give British tabloids some of the largest circulations in the world.

The language in the new code would bar photographers from taking pictures in such notionally public places as gardens, hotel corridors, residential pools, restaurants and churches without the consent of the subjects. It especially bans the use of long lenses, a staple of the paparazzis, in such cases.

"Everyone is entitled to respect for his or her private and family life, home, health and correspondence," the code says. It adds that "young people should be free to complete their time at school without unnecessary intrusion," a reference to an agreement the papers have made with Buckingham Palace to stay away from the princess's sons, Prince William and Prince Harry.

Journalists are cautioned against gathering information by "clandestine listening devices or by intercepting private telephone conversations." No money can be offered to confessed or convicted criminals or their families or representatives.

The code's final clause says that exceptions to the new rules may be justified by "the public interest" and it defines three such areas: "detecting or exposing crime or a serious misdemeanor, protecting public health and safety and preventing the public from being misled by some statement or action of an individual organization."

Charles Platiau/Reuters

Trevor Rees Jones, center, the bodyguard with Princess Diana when she died, entering a court in Paris on Friday to testify about the crash.

■ Bodyguard Questioned in Paris

Looking weak, limping slightly and still visibly scarred from his injuries, Trevor Rees Jones, the bodyguard with Diana during the fatal crash, was questioned again in Paris on Friday, The Associated Press reported. But his memory has apparently not improved.

"There is nothing new," a source close to the investigation said. "He still doesn't remember the accident."

Mr. Rees Jones, 29, was the sole survivor of the crash in a tunnel in Paris that killed the princess, her companion, Dodi al Fayed, and their driver.

The bodyguard's lawyer, Christian Curtil, would say only that the two-hour meeting had "gone well" and that his client was "doing better physically."

Singaporean Jet Crashes In a Marsh in Sumatra

Compiled by Our Staff From Dispatches

JAKARTA — A Singaporean passenger jet on a flight from Jakarta to Singapore crashed in a marsh in Indonesia on Friday and all 104 people on board were feared killed, officials and news reports said.

Debris from the plane, a SilkAir Boeing 737-300 that was carrying 97 passengers and seven crew, was strewn across a marshland near Sungsang, a coastal town on the Indonesian island of Sumatra, the officials said.

The Indonesian director-general for air transport, Zainudin Sikado, said the authorities feared that everyone on board had been killed, the official Antara news agency reported.

There was no word on the cause of the crash, the first ever for SilkAir or its parent, Singapore Airlines.

The wreckage was spotted in a swampy coastal area that is not accessible by road, Antara reported.

"The plane has disintegrated, and parts of it are submerged," said Junaidi, a policeman on duty in Sungsang, about 440 kilometers (275 miles) northwest of Jakarta and about 400 kilometers southeast of Singapore. "I think there is little chance of survivors."

The weather at the time of the crash was fine, although it was raining heavily when rescuers arrived in the evening, an official said. It is monsoon season in Indonesia. Boeing Co. said it was assembling a team to help with the investigation into the cause of the crash.

The crash was the second in Indonesia in three months. A Garuda Indonesia Airbus A-300 went down near Medan on North Sumatra in September, killing all 234 people on board.

An investigation into that crash is continuing. Reports have indicated that there was confusion between the pilot and an air traffic controller. Poor visibility from a smoky haze that was then covering Southeast Asia also may have been a factor. The haze has since dissipated.

Search and rescue officials said the SilkAir plane crashed at about 4:10 P.M., 40 minutes or so after take-off from Jakarta.

Flights from Jakarta to Singapore usually fly at about 30,000 feet (9,250 meters) above sea level, and there was no immediate explanation why the plane came down.

The authorities in Singapore said that in addition to the seven crew members there were 40 Singaporeans on board, 23 Indonesians, 10 Malaysians, 5 Americans, 5 French, 4 Germans, 3 British, 2 Japanese, one Austrian, one Australian, one Indian, one Taiwanese and one Bosnian.

A spokesman for the Civil Aviation Authority of Singapore said it sent a search team to the area after losing radio contact with the plane.

The 737-300 was relatively new, commissioned into operation in February this year, the airline said.

(Reuters, AP)

Masaru Ibuka, Sony Co-Founder, Dies

Reuters

TOKYO — Masaru Ibuka, 89, the co-founder of Sony Corp. who led the development of tape recorders, transistor radios and the Trinitron television system that helped the company grow into an electronics giant, died of heart failure here Friday.

"Ibuka has been at the heart of Sony's philosophy," the president of Sony, Nobuyuki Idei, said in a statement. "He sowed the seeds of deep conviction that our products must bring joy and fun to users. Sony would not have had the management resources that it has today were it not for his philosophy."

Mr. Ibuka co-founded Tokyo Telecommunications Engineering Corp., later renamed Sony Corp., in 1946 with Akio Morita, who is the company's honorary chairman.

Mr. Ibuka's expertise in magnetic powders and tape base material, which he acquired during his previous career at a photo chemical laboratory, led to the development of magnetic recording tape at Sony in 1949.

A year later, the company developed and marketed the first tape recorder in Japan.

Under Mr. Ibuka's tenure, Sony became one of Japan's most successful postwar corporations. It was one of the first Japanese companies to successfully go after global markets, and it helped give Japanese products an image of excellence.

Uzi Narkiss, 72, Israeli General Who Led Move on Jerusalem

JERUSALEM (NYT) — Uzi Narkiss, 72, the Israeli Army general who led the conquest of East Jerusalem in the 1967 Arab-Israeli war, died of cancer Thursday.

General Narkiss was regarded as the last of the generation of Jews who fought in the preindependence militia known as the Palmach, which evolved into the Israeli Army.

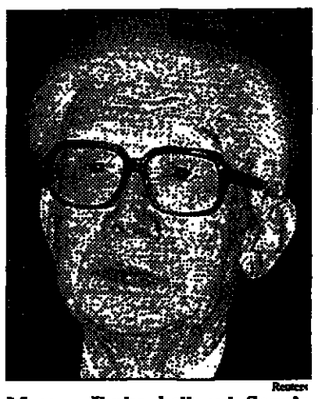
He fought in and around Jerusalem in the 1948 Middle East war, and afterward held a number of senior commands and served as a military attaché in Europe. In 1965 he was promoted to brigadier general and named commander of the Central Command; it was in that capacity that he led the conquest of the Old City and East Jerusalem.

Anthony Ulasewicz, 79, Watergate Personality

NEW YORK (NYT) — Anthony Ulasewicz, 79, the "bagman" whose deadpan accounts of delivering money to buy the silence of Watergate conspirators both fascinated and delighted Senate investigators, died Wednesday in Glens Falls, New York.

In 1973, Mr. Ulasewicz, a retired New York City police detective, offered some comic relief at the Watergate hearings, where he described having been recruited by Richard Nixon's personal lawyer to deliver about $200,000 in installments to some of the Watergate defendants. The money had been destined to buy the silence of the burglars and conspirators.

Mr. Ulasewicz recounted having problems making deliveries, toting cash around in a paper sack and having constantly to use pay phones to straighten things out with the president's lawyer, Herbert Kalmbach.



Reuters

Masaru Ibuka believed Sony's products should bring users joy.

Newbold Noyes, 79, Editor Of Washington Evening Star

New York Times Service

Newbold Noyes Jr., 79, who as editor of The Washington Evening Star from 1963 to 1975 was the last member of four generations of his family to lead the newspaper, died of heart problems Thursday in Sorrento, Maine.

Mr. Noyes joined The Star as a reporter in 1941, then served as an ambulance driver in the American Field Service from 1942 to 1944. He rejoined The Star as a foreign correspondent covering U.S. troops in Europe. Mr. Noyes also served as president of the American Society of Newspaper Editors from 1970 to 1971, as a director of The Associated Press and as a member of the Pulitzer Prize advisory board.

Reginald Victor Jones, 86, British Intelligence Hero

New York Times Service

Reginald Victor Jones, 86, a secret hero of British intelligence in World War II, whose genius for scientific tricks baffled German bombers and saved thousands of lives, died of a heart attack Wednesday in Aberdeen, Scotland.

As a scientific adviser to the British foreign intelligence service MI-6, and a science officer for the Air Ministry, Mr. Jones was recognized by intelligence services as the father of electronic warfare, a pioneer in technology to mystify and surprise the enemy. "He did more to save us from disaster than many who are glittering with trinkets," Winston Churchill said.

Doctors Want Yeltsin to Keep Resting

The Associated Press

MOSCOW — Boris Yeltsin's doctors said Friday that the Russian president should remain in a sanatorium five to seven more days to recuperate fully from a severe cold.

The announcement was made a day after Mr. Yeltsin said he would be back at work Friday. Mr. Yeltsin, who underwent heart bypass surgery 13 months ago, had a heart examination Friday morning, and his doctors said that all was well.

"The cold did not affect his heart condition," said Mr. Yeltsin's doctor, Sergei Mironov.

WHO Finds Flu In Hong Kong Hard to Spread

Reuters

GENEVA — The avian flu virus that has put a scare into Hong Kong does not spread easily, the World Health Organization said Friday, and the agency sees no need for a vaccine or for travel restrictions to be imposed.

The United Nations health agency, which sent an expert to Hong Kong on Thursday to evaluate the outbreak that has killed two people in eight months, said in a statement in Geneva that the "virus transmits poorly."

An eighth case was confirmed Friday, and two suspected cases were under observation, but the authorities in Hong Kong asserted there was no danger of an epidemic.

The Health Department said the latest case, a 4-year-old boy, was unrelated to previous diagnoses, but doctors are working to ascertain if the flu, previously confined to chickens and other birds, can be spread between humans.

"Although the source of infection remains uncertain in some of the cases, it is evident the virus transmits poorly," the UN agency said.

"There is still no indication that a vaccine is needed," WHO said, and it did "not recommend restrictions on travel to Hong Kong."

BRIEFLY

Hague Tribunal Frees 3 Croats

THE HAGUE — In an unprecedented move, the Yugoslav war crimes tribunal ordered three Bosnian Croats freed Friday after the court's chief prosecutor said there was not enough evidence to try them.

Judges at the UN court ruled that Marinko Katava, Pero Skopljak and Ivan Santic could be released as soon as possible — possibly later Friday or over the weekend — pending arrangements by Dutch authorities.

The chief prosecutor, Louise Arbour, said there was insufficient evidence that the three had been involved in a ethnic purge of Muslims in central Bosnia in 1993.

The tribunal had never before freed an indicted suspect, and the step could dent its prestige. *(AP)*

Ex-Nazi Guilty of Manslaughter

COLOGNE — A former Nazi guard charged with manslaughter in the deaths of 19 children in the Ukraine in 1942 was convicted and sentenced to one year and eight months on probation by the Cologne state court Friday.

Judge Paul Schwellenbach declared Ernst Hering, 75, guilty of helping to murder the Jewish children. "Although he witnessed the increasing fear of the crying children, he stayed at his post," the judge said.

Mr. Hering admitted having stood guard in the village of Israilovka when the children were taken away by members of his paramilitary unit. But he said he did not know that they were to be killed. *(AP)*

5 German Soldiers to Go Free

BERLIN — Only one of six German soldiers under investigation for their part in a neo-Nazi video that surfaced in October is likely to face charges, state prosecutors in Zwickau said Friday.

It is probable that the soldier who offered the video to a television station will be the only one charged for incitement to racial hatred and use of Nazi symbols, they said. The video shows soldiers making anti-Semitic remarks, giving the Nazi salute and simulating acts of violence. *(Reuters)*

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every Saturday in the IHT.

TRAVEL UPDATE

Power Failure Paralyzes U.S. Flights

WASHINGTON (NYT) — A brief power failure at an air traffic control center near Kansas City tore the heart out of the Federal Aviation Administration's national network for several hours, forcing hundreds of planes to be diverted or delayed, and inconveniencing tens of thousands of passengers.

TWA said planes bound for its hub in St. Louis, Missouri, had to land at airports from Nashville, Tennessee, to Denver. The Kansas City Center controls the area around St. Louis. The delays Thursday cascaded around the country.

The German rail company Deutsche Bahn has started a campaign to get more of its trains to run on time by installing boards in stations, beginning with Frankfurt, comparing daily delays with the previous year's average delay. *(AFP)*

A cholera epidemic sweeping through eastern Africa has killed at least 2,687 people, the World Health Organization reported. *(AFP)*

Peter G. Cziraris
Forex & Futures Specialist

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JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	44%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
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WEATHER

Europe

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Algarve	14/57	12/55 sh		18/64	13/55 sh	
Amsterdam	10/50	6/43 pc		9/48	3/37 c	
Ankara	0/32	-5/24 pc		6/43	-1/31 c	
Athens	13/55	9/48 c		13/64	10/50 pc	
Barcelona	9/48	4/39 sh		12/53	8/46 pc	
Belgrade	9/48	7/44 sh		10/50	3/37 r	
Berlin	11/52	8/46 pc		9/48	5/41 c	
Brussels	9/48	7/44 c		8/46	4/39 c	
Budapest	6/43	4/39 r		10/50	7/44 r	
Copenhagen	7/44	5/41 c		7/44	5/41 r	
Costa Del Sol	16/59	11/52 pc		17/62	12/53 sh	
Dublin	11/52	9/48 c		10/50	7/44 pc	
Edinburgh	8/46	6/43 sh		9/48	3/37 c	
Florence	12/53	9/48 r		12/53	5/41 c	
Frankfurt	10/50	8/46 c		9/48	6/43 r	
Geneva	7/44	2/35 r		8/43	1/34 c	
Helsinki	-1/31	-5/24 pc		0/32	-3/27 pc	
Istanbul	8/46	4/39 pc		12/53	9/48 c	
Kiev	-2/29	0/32 c		3/37	2/35 r	
Las Palmas	21/70	18/61 pc		23/73	18/64 s	
Lisbon	13/55	11/52 r		15/59	12/53 r	
London	11/52	7/44 sh		9/48	5/41 c	
Madrid	12/53	4/39 c		11/52	2/35 c	
Mallorca	13/55	4/39 pc		14/57	9/48 pc	
Milan	11/52	3/37 r		9/48	1/34 c	
Moscow	-7/20	-12/11 pc		-6/22	-7/20 c	
Munich	10/50	4/39 r		5/41	1/34 r	
Nice	16/61	8/46 c		14/57	7/44 c	
Oslo	-2/29	-4/25 pc		2/35	-1/31 c	
Paris	7/44	4/39 c		8/43	3/37 r	
Prague	11/52	7/44 sh		8/46	4/39 r	
Reykjavik	8/46	3/37 r		4/39	4/39 c	
Riga	2/35	-2/29 s		2/35	2/35 c	
Rome	16/61	9/48 pc		12/53	5/41 pc	
St. Petersburg	-3/27	-7/20 pc		-4/25	-4/25 pc	
Stockholm	2/35	-2/29 pc		2/35	1/34 c	
Strasbourg	9/48	4/39 r		7/44	2/35 sh	
Tallinn	1/34	-3/27 pc		1/34	-1/31 c	
Tbilisi	2/35	-7/20 pc		6/43	-2/29 pc	
Venice	9/48	7/44 r		10/50	4/39 c	
Vienna	6/43	4/39 r		9/48	4/39 sh	
Warsaw	-1/31	-4/25 c		7/44	4/39 r	
Zurich	10/50	3/37 sh		8/43	2/35 r	

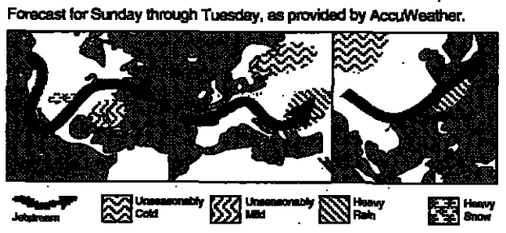
Middle East

Abu Dhabi	27/80	18/64 pc	25/77	16/61 c
Beirut	18/61	10/50 pc	17/63	12/53 pc
Cairo	16/61	8/46 pc	20/68	9/48 s
Damascus	10/50	0/32 pc	13/55	6/43 pc
Jerusalem	12/53	4/39 pc	12/53	6/43 pc
Luxor	20/68	2/35 s	23/73	8/43 s
Riyadh	21/70	12/53 pc	19/66	6/43 s

Africa

Algiers	15/59	6/43 pc	16/61	9/48 pc
Cape Town	31/88	16/61 s	21/70	12/53 pc
Casablanca	14/57	8/46 pc	18/64	11/52 pc
Harare	19/66	10/50 sh	25/77	8/46 c
Lagos	32/89	22/71 s	31/88	22/71 pc
Nairobi	25/77	16/61 sh	27/80	13/55 c
Tunis	18/64	7/44 pc	16/61	7/44 pc

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream | Unseasonably Cold | Unseasonably Mild | Heavy Rain | Heavy Snow

North America
A deep trough of low pressure will bring rain and locally heavy snow to northern Arizona and parts of the Rockies. In contrast, a large ridge of high pressure over the southeastern United States will have temperatures running above normal. Dry across Canada.

Europe
The rain will move east to the southern Ukraine, while another storm brings more rain to western Europe and the British Isles. Cold air will start to move eastward out of northern Russia into Scandinavia. London and Paris will likely see more rain on Monday.

Asia
Heavy rain will fall along a cold front across Taiwan and the islands of Japan on Sunday. Hong Kong will likely see rain on Sunday as well. Very cold air over Siberia will sink south and bring lower temperatures to Sinkiang. Tokyo will be mild but wet later Sunday and Monday.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather.

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Asia

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Almaty	2/35	-4/25 sn		0/32	-6/22 sn	
Bali	34/93	23/73 pc		33/91	23/71 pc	
Bangkok	34/93	23/71 s		33/91	23/71 pc	
Beijing	4/39	-5/23 pc		3/37	-3/27 pc	
Bombay	29/84	19/66 s		29/84	20/68 pc	
Calcutta	24/75	12/53 s		24/75	10/50 s	
Chiang Mai	33/91	14/57 s		31/88	14/57 s	
Colombo	29/84	23/73 t		28/84	22/71 pc	
Hanoi	27/80	21/70 c		27/80	19/66 pc	
Ho Chi Minh	33/91	23/73 s		33/91	23/71 pc	
Hong Kong	24/75	19/66 pc		23/73	19/66 pc	
Islamabad	19/64	3/37 s		19/66	4/39 pc	
Jakarta	30/86	24/75 pc		29/84	23/73 t	
Karachi	27/80	10/50 s		28/82	11/52 s	
K. Lumpur	31/88	23/73 sh		31/88	22/71 sh	
K. Kinabalu	29/84	23/71 s		29/82	23/73 r	
Manila	31/88	18/66 s		30/86	21/70 pc	
New Delhi	21/70	3/37 s		23/73	4/39 s	
Phnom Penh	32/89	22/71 s		32/89	23/73 s	
Phuket	34/93	23/71 s		33/91	22/71 pc	
Rangoon	32/89	17/62 s		31/88	19/66 pc	
Seoul	7/44	-4/25 s		4/39	-4/25 pc	
Shanghai	16/61	5/41 c		12/53	12/53 c	
Singapore	29/84	24/75 r		28/82	23/73 t	
Taipei	29/79	19/66 c		24/75	19/66 c	
Tokyo	17/62	11/52 pc		11/52	7/44 s	
Vientiane	32/89	18/64 pc		32/89	17/62 pc	

North America

Anchorage	-9/16	-14/7 pc		-6/22	-9/16 sf	
Atlanta	17/62	4/39 pc		10/50	5/41 r	
Boston	6/43	-5/24 pc		2/35	-4/25 s	
Chicago	1/34	-4/22 pc		2/35	-3/27 sf	
Dallas	10/50	5/41 t		8/46	2/35 pc	
Denver	3/37	-4/22 pc		5/41	-11/13 s	
Detroit	2/35	-4/25 c		2/35	-3/27 sf	
Honolulu	25/77	18/64 pc		28/82	19/66 pc	
Houston	20/68	11/52 t		14/57	7/44 pc	
Los Angeles	17/62	7/44 pc		13/55	2/35 r	
Miami	27/80	19/66 pc		29/84	22/71 pc	
Minneapolis	-2/29	-10/15 s		-1/31	-6/22 s	
Montreal	-7/20	-18/0 c		-5/24	-12/11 pc	
Nassau	24/75	19/66 pc		27/80	21/70 pc	
New York	10/50	0/32 c		4/39	-1/31 pc	
Orlando	29/79	12/53 s		25/77	17/62 pc	
Phoenix	18/61	7/44 pc		14/57	3/37 r	
San Fran.	11/52	3/37 c		10/50	2/35 r	
Seattle	4/39	0/32 r		4/39	-2/29 pc	
Toronto	-1/31	-12/11 pc		1/34	-4/25 pc	
Vancouver	5/41	-4/25 r		2/35	-3/27 s	
Washington	13/55	0/32 pc		7/44	0/32 pc	

Latin America

Buenos Aires	29/84	17/62 pc	23/73	15/59 c
Caracas	27/80	18/64 s	27/80	19/66 pc
Lima	27/80	20/68 sh	26/79	21/70 c
Mexico City	19/64	9/48 sh	20/68	7/44 c
Rio de Janeiro	29/84	23/73 pc	29/84	24/75 pc
Santiago	25/77	9/48 pc	23/73	6/43 pc

Oceania

Auckland	25/77	16/61 pc	24/75	15/59 pc
Sydney	29/79	22/71 pc	32/89	24/75 pc

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UN Partners Turn Up Heat As U.S. Balks On Past Dues

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — The U.S. effort to lower its United Nations dues is doomed for now, making it even less likely that Congress will release the more than $1 billion America owes the organization.

For years, Congress has objected to paying back dues because of complaints about UN operations and the financial burden on the United States. More recently, Congress has tied payment of the debt to a reduction in America's dues, and now the other UN members have replied by making payments on the arrears a condition for reconsidering the level of the U.S. assessment.

With a final decision on the level of the U.S. assessment likely in the next few days, the United States is completely isolated in the General Assembly committee determining the issue. Even traditional allies are rejecting Washington's demand that it pay less than the current 25 percent of the organization's regular annual budget.

At most, delegations are willing to keep open the option of discussing the issue again next year, but only if America significantly reduces its bill.

The United States has also been handicapped in fighting efforts by some developing nations to inflate the UN budget, which Congress has demanded show no growth. The Third World has already been successful in lowering the dues paid by the poorest nations, a move Washington calls irresponsible.

"*By our failure to pay our arrears*, we have essentially been wiped out of this debate," said Richard Sklar, the U.S. diplomat negotiating budget matters.

Diplomats from a wide range of countries say they are incensed that Americans should expect the near-bankrupt organization to carry out U.S. policies in Iraq, Haiti or elsewhere when the United States is more than $1 billion behind in its payments.

"The position of the European Union," a European diplomat said, "is that if the Congress is willing to recognize the damage that is being done to the United States' position at the United Nations — and indeed the weakening of the UN — and elects then to pay its arrears, then we are prepared to reopen discussion on the scales of assessment." The assessments are normally set for a three-year period.

Payment of the debt was supposedly worked out earlier this year under a deal between Secretary of State Madeleine Albright and two senators: Jesse Helms, a North Carolina Republican and chairman of the Foreign Relations Committee, and Joseph Biden Jr. of Delaware, the ranking Democrat on the committee.

As part of that deal, the administration and Congress agreed that the United States would press for a gradual lowering of America's assessment rate from 25 percent to 20 percent over the next three years. But the deal collapsed in November when congressional Republicans blocked payment of the UN dues and other measures.

Christopher Smith, Republican of New Jersey, attached an anti-abortion rider to legislation in Congress that included money for the United Nations, effectively killing the bill.

Congressional aides say they see little hope of reviving the legislation for many months. But Senator Judd Gregg, Republican of New Hampshire, the chairman of the appropriations subcommittee that oversees payments to international organizations, said that the deal with the administration, which he helped draft, was still very much alive. "That agreement is still in place and will be executed as soon as we clear this ancillary, extraneous issue that has nothing to do with the UN," he said, referring to the abortion issue.

Paul Richards/Agence France-Presse

'TIS THE SEASON — President and Mrs. Bill Clinton singing carols at the White House during a Christmas party they gave for a group of young children from schools in the Washington area.

POLITICAL NOTES

White House Fined for Lying

WASHINGTON — A federal judge said that the White House and the Justice Department had taken part in a "reprehensible" effort to cover up false statements by Ira Magaziner, the chief architect of President Bill Clinton's ill-fated health plan, and the judge ordered the government to pay a penalty of more than $285,000.

The judge said Mr. Magaziner and the Clinton administration had been "dishonest" in describing the secret procedures used to develop the president's health care proposals in 1993. Mr. Magaziner said at the time that the proposals were devised entirely by a group of federal employees, who were not subject to laws requiring open meetings or public disclosure of their working papers.

In the ruling Thursday, the climax of five years of litigation between doctors and the Clinton administration, Judge Royce Lamberth of federal district court said: "It is clear that the decisions here were made at the highest levels of government, and the government itself is — and should be — accountable when its officials run amok. There were no rogue lawyers here misleading this court."

Rather, Judge Lamberth said, "the executive branch of the government, working in tandem, was dishonest with this court, and the government must now face the consequences of its misconduct."

The administration's efforts to correct the misstatements were feeble and belated, the judge said.

Joe Lockhart, a White House spokesman, said the administration had no comment on the ruling. *(NYT)*

4 to Sift Congressman's Ethics

WASHINGTON — The House ethics committee has named four members to investigate Representative Jay Kim, Republican of California, who pleaded guilty in August to violations of campaign finance laws.

Representative Lamar Smith, Republican of Texas, will head the investigation into whether Mr. Kim's actions violated House standards of conduct. Representative Ed Pastor of Arizona will be the top Democrat on the panel, which will include Representative Edward Bryant, Republican of Tennessee, and Representative Robert Scott, Democrat of Virginia.

In a plea agreement, Mr. Kim — a three-term congressman — and his wife admitted to the misdemeanor charge of accepting and hiding $230,000 in illegal campaign contributions. They are scheduled for sentencing Jan. 14. Prosecutors recommended no more than six months in prison for the couple. The congressman could be fined $435,000 and his wife $200,000.

Mr. Kim acknowledged that he accepted a $50,000 loan from a Taiwanese citizen that was later used in his election campaign and that he contributed $83,248 from his engineering firm to his campaign.

Under federal law, corporations and foreign citizens cannot contribute to federal candidates.

In November, Mr. Kim's campaign treasurer, Seok-uk Ma, was sentenced to five years of probation, fined $12,000 and ordered to perform 2,500 hours of community service because of the contributions. *(AP)*

Quote/Unquote

President Bill Clinton in an interview with People magazine on whether the family cat, Socks, and the family's new dog, Buddy, can peacefully live together: "Here I am working on peace in Ireland and the Middle East. Now I have to make it in my own household. We'll just see if I can work it out. I think I can." *(Reuters)*

Another Cloning Milestone

Researchers Tell How Sheep Will Yield Medicine

By Rick Weiss
Washington Post Service

WASHINGTON — Researchers in Scotland who cloned Dolly the sheep have reported that they have created sheep clones that, for the first time, contain human genes.

The two new sheep, named Polly and Molly, were cloned from single cells taken from sheep fetuses, rather than from an adult sheep cell as Dolly was. That means Dolly is still the only mammal to have been cloned from an adult.

But Polly and Molly have something Dolly *lacks: multiple copies of a human gene that* should allow them to produce medicine in their milk.

The medicine is a blood-clotting protein called Factor IX, which can be lifesaving for hemophiliacs.

The researchers first announced their success in July, after the two lambs were born. But the first published description of how they did it appears in the journal Science that was published Friday.

Scientists said that, in a few years, the work could lead to the production of "instant flocks" of identical animals producing large amounts of medicines or other useful compounds in their milk at relatively low cost.

"Dolly was a means to an end," said Alan Colman, research director at PPL Therapeutics in Roslin, Scotland, who participated in the new work. "Our major objective was getting a new method of adding or taking away genes in animals. Now we've shown we can do that."

It will be a few more months before the two lambs are old enough to start producing milk, allowing scientists to see if the medicine gene is working in the ewes' udders, said Ian Wilmut of the Roslin Institute, who helped make the three lambs.

Tests indicate the added gene is present in virtually all the animals' cells.

But if all goes well, Mr. Wilmut said, the clotting protein will appear only in the milk, since the researchers attached the gene to a genetic switch that only gets turned on in the udders. Then the drug could be extracted from the milk.

Mr. Wilmut and Mr. Colman said the technique would ultimately prove most useful in cattle, since cows produce far more milk than do sheep.

A herd of just 10 cloned, genetically altered cows could probably produce enough milk to *supply the world's needs for almost any single* drug, Mr. Colman said.

"I think it's beautiful, it's very nice work," said Brigid Hogan, a scientist at Vanderbilt University who pioneered similar gene insertion methods in mice. "These practical advances are the reasons why it's absolutely important not to do a blanket ban on cloning."

Polly and Molly are not the first large animals to produce drugs in their milk.

The PPL company is testing in people a drug for emphysema made in gene-altered sheep, and Genzyme Transgenics in Framingham, Massachusetts, has made human medicines in engineered goats.

But those animals were made through researchers' manipulations of eggs and required generations of breeding to get everything right — a process that can take several years.

Problems remain: Only three gene-altered clones were born alive from 63 embryos implanted in surrogate ewes, and one died soon after birth. But that was an improvement over the 277 tries it took to make Dolly. Also, some births had to be induced or performed by Caesarian section because, for reasons still not clear, natural labor failed to occur.

No CIA-Drug Link Is Found

2 Official Inquiries Fail to Back Report, Senior Aide Says

By Walter Pincus
Washington Post Service

WASHINGTON — Yearlong investigations by the CIA and the Justice Department have found no evidence linking the intelligence agency "directly or indirectly" to Nicaraguan or U.S. drug dealers in California who sold crack cocaine, according to a senior government official.

The two investigations were triggered by a series of articles published in the San Jose Mercury News in August 1996 suggesting that there was a connection between the dealers who introduced crack cocaine in the 1980s in South Central Los Angeles and payments by those dealers to support Nicaraguan rebels organized by the Central Intelligence Agency.

Although the CIA immediately denied the charge and the newspaper subsequently acknowledged that the series oversimplified the alleged link between CIA and drug trafficking in California, concerns of African Americans in Los Angeles and elsewhere led the CIA inspector-general, Frederick Hitz, and the Justice Department inspector-general, Michael Bromwich, to undertake far-ranging inquiries into the matter.

Although there are some differences between the two reports, "they are in agreement on all the major points," according to another official who has read both documents.

"Nothing was found to indicate that CIA people or people working for the CIA or on CIA's behalf had any dealings directly or indirectly with the California drug dealers," a senior official said Thursday.

Current and former CIA employees were interviewed or sent questionnaires. Lacking subpoena power, the investigators were limited to those ex-employees who would participate voluntarily.

"Although there were a handful who were bitter at the inquiry and would not cooperate, there were a great many more who talked to us," an official familiar with the process said.

Away From Politics

• **A grand jury in Memphis, Tennessee,** has refused to open a new investigation into the assassination of Martin Luther King Jr. that was requested by a former lawyer for James Earl Ray, Mr. King's confessed killer. *(AP)*

• **A man who took dozens of children hostage** at a day-care center near Dallas released his last captives and surrendered, ending a 30-hour siege. James Lipscomb Jr., 33, put down his handgun shortly after freeing his son and stepson. *(Reuters)*

• **The Mafia boss Vincent Gigante** was sentenced in New York to 12 years in prison. A federal judge rejected a plea that Mr. Gigante, 69, be allowed to spend "his final days" under house arrest with his family. *(AP)*

Georgian Envoy Gets Jail Term In Fatal Crash

The Associated Press

WASHINGTON — A former diplomat from the Republic of Georgia was sentenced Friday to 7 to 21 years in prison for killing a Maryland teenager in a car crash nearly a year ago.

Gueorgui Makharadze, 36, said in a barely audible voice that he had "no words, no explanation" for the accident Jan. 3, when he drove after a night of drinking.

He could have been sentenced to up to 70 years after pleading guilty in October to one count of involuntary manslaughter and four counts of aggravated assault.

Judge Harold Cushenberry of District of Columbia Superior Court praised President Eduard Shevardnadze of Georgia for waiving Mr. Makharadze's diplomatic immunity, calling the decision "courageous." He said he hoped the sentence would "send a message to all others, not just diplomats" not to drink and drive.

In addition to the 16-year-old girl who was killed, four people were injured after Mr. Makharadze crashed into a line of cars at a stoplight in Washington.

BOOKS

ANOTHER CITY, NOT MY OWN
A Novel in the Form of a Memoir

By Dominick Dunne. 360 pages. $25. Crown Publishers.

Reviewed by Christopher Lehmann-Haupt

THIS is Dominick Dunne's O.J. Simpson book, and several obvious items of evidence advertise it as fiction. First, the book's subtitle is "A Novel in the Form of a Memoir," which could just as easily have been "A Memoir in the Form of a Novel." Second, its protagonist is Gus Bailey, a fictional stand-in for Dunne who has appeared in several of his previous novels.

Third, the protagonist of the story dies. As the narrator announces about Gus on page 2, "he was found dead in the media room of his country house in Prud'homme, Connecticut, where he had been watching the mini-series of one of his novels, 'A Season in Purgatory.' The book was about a rich young man who got away with murder because of the influence of his prominent and powerful father. Getting away with murder was a relentless theme of Gus Bailey's."

Yet in almost every other respect, "Another City, Not My Own" appears to be nonfiction. It takes you behind the scenes of the Simpson murder trial, which Gus covers for Vanity Fair magazine, just as Dunne did. And it regales the reader with all the gossip and speculation that came out of the case, as well as a number of items that are new yet altogether plausible.

Except for Gus Bailey and the members of his family, all of the names in the book are actual ones. In fact, so many names are dropped — from Diana, Princess of Wales, to Elizabeth Taylor to Frank Sinatra to King Hussein and Queen Noor to Kirk Douglas — that I could fill up this review just by listing them.

Finally, the details of Gus Bailey's life accord exactly with those of Dunne's. These include his failure as a Hollywood movie producer and his comeback as the author of best-selling novels made into popular television mini-series; the titles of those books, and several misfortunes that have befallen his family, most notably the murder of his daughter by a man who served only a brief jail sentence for the crime and, in the words of this novel, "was now out and about in a new life, as if he had atoned."

So why, the reader keeps wondering, did Dunne decide to label his book fiction?

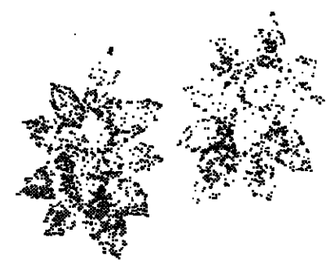
But Dunne appears to have a more serious objective in mind than amusing us with Gus's charms. He has Gus express his conviction of Simpson's guilt and his mounting outrage over the way the defense professed to be seeking the truth while lying to establish their client's innocence. Gus accuses these lawyers of pretending to tell the jurors that the issue of the trial was the innocence or guilt of their client while hypocritically signaling that the real issue was race.

Yet by writing his book in its ambiguous form, isn't Dunne, too, playing games with the truth?

The suspicion remains overwhelming that in this mischievously gossipy book, he is trying to have it both ways: on the one hand, telling a certain form of truth and, on the other, shrugging off all responsibility for that truth.

New York Times Service

Make Her Christmas Flawless....



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The Spirit Of Christmas

U.S. as Israeli-Palestinian Mediator: Trying to Bridge a Still-Yawning Gap

By Steven Erlanger
New York Times Service

LONDON — Before Secretary of State Madeleine Albright's meeting Thursday with Prime Minister Benjamin Netanyahu, American officials told the Israelis that it would be better not to bring a specific proposal for a troop withdrawal from the West Bank, American and Israeli officials said.

Naming a firm percentage now for such a withdrawal, U.S. officials said, would only lead to immediate rejection by Yasser Arafat, the Palestinian leader, who would regard it as a fait accompli.

Far better, the Americans suggested, to let the number emerge from a trilateral meeting with Mr. Netanyahu and Mr. Arafat after the United States had done the mediation — and could preside over a public success.

The current turmoil in the Israeli cabinet might have made a firm proposal impossible now in any case. But the U.S. suggestion is a good indication of the still-yawning gap in mutual confidence and trust between the Israelis and the Palestinians after nearly 11 months of deterioration in the peace process.

NEWS ANALYSIS

U.S. officials are eager to point up the bright side of what has become an important test of Mrs. Albright's stewardship as secretary of state, now a year old.

Mrs. Albright herself, in a telephone conference call Friday with members of the Conference of Presidents of Major American Jewish Organizations, said that both Mr. Netanyahu and Mr. Arafat were "acting in good faith and want an agreement," said Malcolm Hoenlein, the executive deputy chairman of the group.

American officials say they are encouraged by Mr. Netanyahu's efforts to push through the "significant and credible" withdrawal that Washington demands, and regards as vital to putting the peace talks back on track. They acknowledge that any large withdrawal is significant for a prime minister from the conservative Likud party, which has always regarded the West Bank as belonging to the Holy Land of Israel as described in the Bible.

President Bill Clinton, in particular, is said to be interested in and sympathetic to Mr. Netanyahu's political problems — often asking White House visitors whether Mr. Netanyahu has enough "running room" to make fateful decisions for peace.

That is a prime reason for Mrs. Albright's decision to ask Mr. Clinton to meet Mr. Netanyahu and Mr. Arafat separately in Washington in January, in an effort to crack the remaining problems of this latest impasse. The pressure of a meeting with the U.S. president tends to prompt other leaders to make hard decisions. But Mr. Clinton, an astute politician, is also able to grasp the difficulty of the decisions and to offer cover for the need to make them.

American officials remain privately wary about Mr. Netanyahu's ultimate intentions and want to see if he is serious about finding a final settlement with the Palestinians. The most sensitive issues for the Israelis and the Palestinians — final borders, the status of Jerusalem, whether the Palestinians get a state, and if so, how demilitarized and limited it may be — still lie ahead.

There is also lingering concern that Mr. Netanyahu will continue to delay the withdrawal for reasons of security. This concern was underlined by Mr. Netanyahu's comments Friday, which stressed the need for Palestinian action on security during a probation period before any withdrawal takes place.

He said he would insist on "a minimum period of a few months" to monitor whether the Palestinians would comply with past pledges to crack down on Palestinian radical groups, like Hamas and Islamic Jihad, which are opposed to peace with Israel.

To that end, Washington has been pressing Mr. Arafat to write down a specific, measurable plan on how he will deal with the militant wings of Hamas and Islamic Jihad.

But the picture for this stage, which Washington hopes can be completed in January, is becoming clearer: An Israeli withdrawal from about 10 to 14 percent of the West Bank coupled with a written Palestinian memorandum pledging specific security actions, with a "probationary period" of a few months before the withdrawal takes place.

What comes next gets dicey. Remaining on the U.S. agenda is agreement on accelerated final-status talks, to try to achieve a final settlement by the end of next year, coupled with a "time-out" on settlement activity and other so-called unilateral acts by Israelis or Palestinians *that affect* final-status issues.

Mr. Netanyahu has made clear he intends the next withdrawal to be the last before a final settlement.

But, he stressed Friday that the Israelis "are the ones who have to decide what are the defense margins of Israel."

"This is not an issue which can be subjected to pressure," he said.

Iraq Is Hiding Banned Arms, UN Aide Says

Agence France-Presse

UNITED NATIONS, New York — UN inspectors have evidence that Iraq is concealing weapons of mass destruction at sites declared off-limits, the top UN disarmament monitor said Friday.

The inspector, Richard Butler, said at a press conference here that "we have evidence, or reason to believe, that prohibited items have been and/or do exist in *places that would be within that category* for presidential or sovereign sites."

He declined to give further details, however, "because that would blow the whole thing."

Mr. Butler spoke after informing the UN Security Council on Thursday that he feared Iraq's "absolute" refusal to admit the UN inspectors to so-called presidential and sovereign sites covered "quite a substantial number" of places, including ministries.

He said the number of sites in the category was much larger than the "four or five" palaces mentioned by the Iraqi deputy prime minister, Tariq Aziz, during their talks this week in Baghdad.

On Friday, Mr. Aziz gave foreign journalists in Iraq a tour of six presidential palaces, in a move described as "pure propaganda" by the U.S. delegate to the United Nations, Bill Richardson.

Mr. Butler said that if "you take the category of presidential and sovereign sites as being as large as we think it now looks like being," then "do we have reason to go to some of those places? Yes." He added: "Is that because we have information that suggests that we may well find prohibited items in some of those places? Yes, we do."

Mr. Butler noted that, in the past, Iraqi officials denied entry to inspectors searching for suspected concealed weaponry or *documents at such sites*. "And that does little to reduce the idea, provided to us through our information, that there may be prohibited items in those places," he said. "Otherwise why else are we being blocked?"

The arms inspection chief added that there was no reason to believe that Iraqi weaponry had been moved into the presidential or sovereign sites during a recent three-week pause of inspections triggered by a showdown over the role of U.S. inspectors.

Mr. Butler also said Baghdad was proposing "to have sanctuaries within Iraq where we could never look. Now that's illegal and it defeats our purpose in getting rid of those weapons."

Sanctions imposed on Iraq after its 1990 invasion of Kuwait can only be lifted when the UN inspectors certify that Iraq has eliminated all its nuclear, biological and chemical weapons, and long-range missiles.

Adam Butler/The Associated Press

TORY WEDDING — William Hague, 36, leader of the Conservative Party, and his bride, Ffion Jenkins, 29, emerging from the House of Commons chapel after their London marriage was celebrated Friday.

CAPITAL: *The Mayor, 'the System' and the New Russia*

Continued from Page 1

city government, and with Mr. Luzhkov and his national political ambitions. Some of the companies draw loans and business from the city, others are affected financially by Mr. Luzhkov's decisions, while at the same time, Mr. Yevtushenkov serves as a close adviser to Mr. Luzhkov.

The result is a soufflé of politics and business, and a model of economic and political power that is at the heart of Mr. Luzhkov's growing stature — and of his vision for Russia.

In the last few years, the Russian economy has come to be dominated by business and political clans, of which Mr. Luzhkov's is one of the most formidable. Under his administration, Moscow has become a virtual nation-state inside Russia, an expensive, chaotic, sometimes violent and often corrupt atoll of prosperity amid the sea of Russia's economic despair.

This year, tycoons and economic reformers in the Kremlin have fought bitterly over the next stage in the country's young capitalism: Should it evolve into a liberal, competitive, free-market system, or one dominated by financial-industrial behemoths? The battle still rages.

In Moscow, Mr. Luzhkov has already formulated his own answer: state capitalism — a blend of the market, big money and Soviet-style central government control. He openly champions this approach. But critics say his system is also something else — "crony capitalism," says one, in which cozy relationships and insider deals are crucial to success.

From City Hall, Mr. Luzhkov commands businesses from restaurants to billboards, from bakeries to auto factories. Central to this network are intricate relationships among political bosses and private businessmen. More often than not, Mr. Luzhkov has the last word.

"In the Moscow network, it's important to have two legs — one in business, the other in the administration," said Alexei Ulyukaev, a member of the city council and deputy director of the Institute for the Economy in Transition, a reformist think tank. "There is no division of economic and political powers."

Mr. Yevtushenkov is a prime example. A longtime Luzhkov adviser who asked not to be named said Mr. Yevtushenkov is the mayor's closest confidant, "closer than anyone except Luzhkov's wife."

At the same time, Mr. Yevtushenkov is chairman of the board of both the Moscow Committee on Science and Technology and the Systema conglomerate, which just moved to a resplendent headquarters in central Moscow.

The complex links between the two companies and the city government benefit both men.

Mr. Yevtushenkov's bank, the Moscow Bank for Reconstruction and Development, serves city accounts. His construction and electronics subsidiaries receive loans from the city, decided by a city committee on which Mr. Yevtushenkov serves. One of his companies has bought a third of the city's phone monopoly, which is seeking approval for rate increases — from Mr. Luzhkov.

And Mr. Luzhkov's centerpiece Moscow TV channel — a building block for a possible presidential campaign — is partly owned by the Moscow Committee on Science and Technology and expects to get financing from Systema's bank.

In an interview, Mr. Yevtushenkov said that he received no government salary, but that he nonetheless spent most of his time working on city projects and held an official appointment as a Luzhkov adviser. He said he is close to the mayor and to the mayor's wife, Yelena Baturina. "This whole family is close to me," he said.

Mr. Luzhkov did not respond to a request for an interview.

Mr. Yevtushenkov said he was careful not to press Mr. Luzhkov for favors. "On vacation or at home, we never talk business, never," Mr. Yevtushenkov said. And, he added, Mr. Luzhkov only recently heard that the Systema conglomerate was connected to Mr. Yevtushenkov. The mayor "didn't know that such a corporation exists," Mr. Yevtushenkov said. "And I'll tell you, it may seem funny, but it's a fact."

Others, however, said it would have been difficult for Mr. Luzhkov not to have known. The longtime Luzhkov adviser said Systema was an example of how Mr. Luzhkov's allies have operated. "They were let out on a leash," he said, "and at some stage this leash became longer and longer."

When Mr. Yevtushenkov turned his city government committee into a business in 1993, he said, it was for a simple reason: to make money.

"There was practically no financing for science," he said. Soviet-trained scientists, accustomed to endless resources, were brought up short by the cold reality that cash — not research — made the New Russia go round.

But as a privatized business, the science committee could earn profits and keep them for its own purposes, such as research, Mr. Yevtushenkov said.

Mr. Luzhkov has thrust the city into high-profile businesses, such as the failing Zil truck factory, and opened a chain of fast-food restaurants, Russkoye Bistro. The city owns all or part of 200 other companies and controls the Bank of Moscow, one of the biggest in Russia.

"From the point of view of the classic political economy, the government should regulate," said Anatoli Lysenko, a veteran Russian television executive who is heading up Mr. Luzhkov's new Moscow channel. "But we are not living in a country with a normal economy. The government often has to play God. They have to create something, to inspire it, and like the Bible says, 'Go forth and multiply.'"

Arkadi Murashev, a former Moscow police chief who led a liberal opposition campaign for city council, recently infuriated the powerful Mr. Luzhkov when he said the mayor had become "the biggest entrepreneur in the city, having taken control of *everything*."

Mr. Luzhkov shot back, "The mayor is prohibited by-law from taking part in any business activity!"

Nevertheless, in the municipal government, departments are often associated with commercial companies on the side. Mr. Ulyukaev, the city council member, said these city departments often set the rules and collect fees and fines in their purview, while simultaneously running businesses in the same field.

"On the one hand, they manage budget money," he said. "But then they are, on the other hand, making money. And thirdly, the city oversees it all. They are supply, demand and administration."

In the case of the Moscow Committee on Science and Technology, Mr. Yevtushenkov said it was both a public and private enterprise. It receives city money and also earns outside profits. "This has made it possible, so to speak, to preserve the life of the committee," Mr. Yevtushenkov said, adding that without the private profits it would be "like a river with a constantly drying-up source."

David Hoffman/The Washington Post

Vladimir Yevtushenkov, chief of the $1 billion conglomerate named Systema.

Evgeni Novitsky, president of Systema, said the conglomerate was originally a group of import-export trading companies. He said they earned 200 to 300 percent profit a year by selling oil abroad and importing consumer goods.

"We *took loans, purchased oil, sold* this oil to the West," he said. "There we bought consumer goods, televisions, computers, food products, sold them in the market here, and on account of this, a large profit margin developed. In 1993, it was possible to make 100 percent in one operation. Buy something for a dollar, sell it for two."

The ownership of Systema is murky. Mr. Novitsky said the parent company is 100 percent owned by another firm, Systema-Invest. That company is in turn 40 percent owned by a Luxembourg investment company, he said, and the remainder is in the hands of individuals, including Mr. Yevtushenkov and other managers.

Asked who owns Systema, Mr. Yevtushenkov said: "A whole number of people, Novitsky and me as well. It's mostly the management." Mr. Novitsky said the city of Moscow held no shares in Systema.

Mr. Yevtushenkov denied that his success was a result of his connections in City Hall. "If someone thinks relations with the city can solve something, this is a mistake," he said.

It was Mr. Yevtushenkov's Moscow Committee on Science and Technology that helped Systema open the door to one of its biggest investments.

The Moscow telephone monopoly, the fifth-largest phone system in the world, with 4 million lines, is notoriously creaky. Some equipment dates to the 1920s. But even so, Moscow and other regional phone companies have been enormously attractive for investors. The new market economy already is demanding more and better phones. Moreover, regions are discovering that while they cannot easily cut off subsidized gas and electricity, they can raise phone rates — and profitability.

When Moscow decided to privatize 25 percent of the city telephone monopoly in 1995, Mr. Yevtushenkov went for it.

Since winning the stake, Systema's role in the phone monopoly has grown, and Mr. Yevtushenkov serves on the board. According to Systema, the conglomerate now controls 33.3 percent of the phone monopoly. The company has a total market capitalization of about $1.4 billion at current stock prices.

Mr. Luzhkov may soon be making a big decision that will have a big effect on Mr. Yevtushenkov's stake — whether to raise residential phone charges.

The decision rests with Mr. Luzhkov. He approved an earlier rate increase, which was followed by an increase in the telephone company's revenues. Mr. Yevtushenkov said he has not talked to the mayor about it. "The raising of tariffs is not a popular measure," he said. "It's very difficult to decide."

Another facet of their relationship can be seen in the city's loans-to-businesses program. Moscow borrowed $500 million from overseas investors this year and is making loans from that cash to encourage investment. The decisions about who gets the loans are made by a 24-member council. Mr. Yevtushenkov is a member of that council. Mr. Luzhkov is the chairman.

METEOR: *Scientists Are Looking for Impact Site in Greenland*

Continued from Page 1

pean Space Agency satellites, ERS1 and ERS2, are being programmed to look for the impact site from space. Radar could detect large depressions in the ice cap marking the resting places of large meteoric fragments. By summer, when a search by ground teams becomes practical, smaller meteorite fragments are likely to be buried by more than three *meters of snow, but large chunks might* still be detectable.

Scientists are eager to recover fragments of the meteorite because of clues it may contain about the early history of the solar system.

Because of the brilliance of the flash, Danish scientists said "the event can in size probably be compared to the Cape York meteorite that fell in prehistoric times in Melville Bay south of Thule, Greenland." Some 50 tons of iron meteorites were recovered from the Cape York impact site.

One of them, the 34-ton Ahnighito meteorite, is the largest ever pulled from the ground; since 1935 it has been on display at the American Museum of Natural History in New York City.

Since scientists have not reached the site of the latest impact they have not recovered debris and therefore do not know whether the huge projectile was a meteor or a small comet. Both are capable of causing immense destruction.

The most destructive impact of the century occurred on June 30, 1908, when *a blinding flash in the sky near the Tunguska* River in Siberia flattened more than 2,000 square kilometers of forest.

MANEUVERS: *Turkish-Israeli Alliance*

Continued from Page 1

nations in Tehran. The criticism, which focused on Ankara's ties to the United States and Israel, prompted President Suleyman Demirel of Turkey to leave the conference early.

The Turkish military, the most powerful institution in the country, was unperturbed by the Islamic rebuff. Turkey was the first Islamic nation in the world to recognize Israel in 1949 and has maintained more or less friendly relations with it ever since.

Turkey has also announced one of the world's most ambitious military modernization programs. It plans $150 billion in spending on armaments over 20 to 25 years, and in Israel it sees a manufacturer of top-grade missiles, tanks and aircraft.

Unlike the United States, which has balked on some recent arms sales to Turkey because of concern over human rights and Ankara's poor relations with Greece, Israel is happy to sell weapons to an ally without such scrutiny.

Turkey has signed a $630 million contract for Israel to overhaul 54 of its aging F-4 Phantom jet fighters with advanced avionics and other high-tech wizardry. Half the work is to be done in Turkey with Israeli know-how. Israel is competing for another contract to upgrade a further 48 Turkish fighters, this time F-5s.

Further deals are in the works to jointly produce long-range anti-missile defense missiles and advanced air-to-ground attack missiles. Israel is also bidding to supply the Turkish Army with ground-to-air missiles and a new generation of small arms to replace the G-3 rifle used by the Turkish infantry.

The biggest prize Israel is eyeing is a contract valued at $4.5 billion to $5 billion to supply the Turkish military with up to 1,000 battle tanks.

The partnership means more than fat profits for Israeli arms makers. It also provides Israeli pilots with their only opportunity to train over a large land mass in the Middle East. Top Israeli jet fighters can fly from one end of Israel to the other in well under a minute. But in training exercises from Turkish bases, they are able to maneuver over a variety of terrains.

The partnership goes beyond a military alliance. Two-way trade, negligible in the early 1990s, exceeds $500 million this year, excluding the arms deals, and is expected to double in the next two years. On top of that, an annual flood of about 250,000 Israeli tourists is bringing some $250 million to Turkey. Exchanges of agricultural, land-use and water experts have also intensified.

Not everyone in Turkey is thrilled with the developing alliance. In May last year, an unemployed pharmacist who opposed the defense pact with Israel tried to kill Mr. Demirel in protest. Despite a military crackdown aimed at reinforcing the secular nature of the Turkish state, pro-Islamic political parties remain popular in Turkey and have not greeted the tighter ties with Israel enthusiastically.

Buying Swedish Sex: That'll Be 6 Months

Agence France-Presse

STOCKHOLM — Sweden is set to be the first country in the world to make buying sex a criminal offense, though selling it through prostitution would remain legal.

Under a government bill put to Parliament on Thursday, anyone caught soliciting a prostitute after Jan. 1 would face up to six months in prison.

The bill, sponsored by Health and Social Affairs Minister Margot Wallstroem, Justice Minister Laila Freivalds and Deputy Labor Minister Ulrica Messing is aimed at curbing violence against women and protecting their dignity. It also includes tougher penalties for sexual harassment in the workplace and for physical and mental abuse of women. The measure is expected to be approved in the coming days.

SURVEY: *EU's Citizens Admit Racism*

Continued from Page 1

of immigrants, the report said, while 10 percent of those who declared very racist views agreed that their countries had benefited from immigration.

Overall, 48 percent of those questioned said their countries would "be better off" without immigrants and 43 percent agreed with the statement, "Legally established immigrants from outside the European Union should be sent to their country of origin if they are unemployed."

Two-thirds said that all illegal immigrants should be sent back to their country of origin, while 80 percent favored repatriation for immigrants convicted of crimes.

On the other hand, nearly half agreed that naturalization should be made easier for legally established immigrants from outside the European Union, and 70 percent said that settled immigrants should have the same social rights as nationals.

The report said that there were no significant differences in the answers given by men and women and that racism was not more prevalent in the cities than in rural areas.

Those expressing racist views, the poll said, "were more likely to be dissatisfied with their life circumstances, fear unemployment, feel insecure about the future and have a low confidence in the way public authorities and the political establishment worked in their country."

It said that the collapse of faith in political institutions in Belgium was a possible cause of the high level of apparent racism there.

Of those questioned, 5 percent said they belonged to a racial, cultural or religious minority, and 17.5 percent said they had a parent or grandparent from a nationality other than their own.

BRIEFLY

Cambodia Delays Elections

BANGKOK — Cambodia on Friday postponed its scheduled May election for at least two months, in a sign of continuing political turmoil after a coup in July.

The widely expected delay, endorsed in a parliamentary vote, was a result of infighting and government paralysis that experts said had made it impossible to finance and prepare the election on time. The process of voter registration has not yet begun.

Political analysts and Cambodian politicians said it was possible the postponement might last longer, perhaps until November, after the end of the summer monsoon season.

The election would be the first since a vote in 1993 that was supervised by the United Nations under a peace agreement that ended a decade of civil war and produced the country's unstable coalition government. *(NYT)*

Janet Jagan Wins in Guyana

GEORGETOWN, Guyana — Janet Jagan, the U.S.-born widow of former President Cheddi Jagan, was declared the winner Friday in Guyana's presidential election. The leading opposition party challenged the result.

With about 90 percent of the vote counted, Mrs. Jagan's People's Progressive Party led with 56 percent, to 42 percent for former President Desmond Hoyte's People's National Congress.

The announcement by Guyana's elections commission came shortly after Mr. Hoyte's party sought an injunction to stop vote counting from Monday's election, alleging widespread vote-rigging. Mrs. Jagan's party denied the accusation. Mrs. Jagan, 77, became prime minister after her husband's death in March. She served in Parliament for 30 years. *(AP)*

Judge Acts in Pakistan Case

ISLAMABAD, Pakistan — A High Court judge suspended a decision on Friday to reject the ruling party's candidate, Rafiq Tarar, for Pakistan's presidential elections on Dec. 31.

The APP news agency said Justice Malik Muhammad Qayyum of the Lahore High Court referred the case to the chief justice of the court after an appeal by Mr. Tarar.

The chief election commissioner, Justice Mukhtar Ahmad Junejo, rejected Mr. Tarar's nomination Thursday after an opposition challenge on the ground he had made remarks critical of the judiciary. *(Reuters)*

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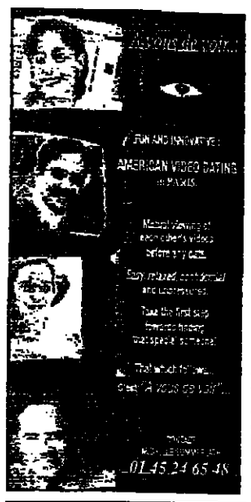

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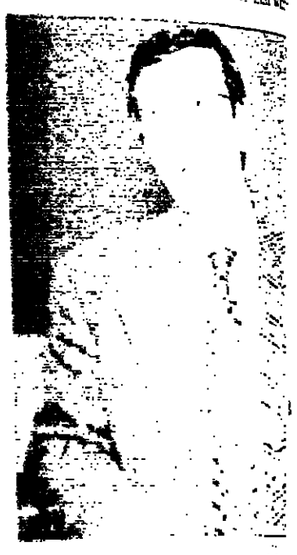

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EDITORIALS/OPINION

Herald Tribune INTERNATIONAL
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Korea's New Leader

With their economy in turmoil, South Koreans understandably turned to a different kind of political leader Thursday, electing the opposition candidate Kim Dae Jung as president. After 40 years of fighting dictators and suffering exile, imprisonment, torture and attempted assassination, Mr. Kim will now lead his nation through its worst economic crisis. He brings a record of courage and conviction to the job, and the support of Korean workers, who are headed for rough times.

Mr. Kim's primary task will be to institute South Korea's recently signed bailout accord with the International Monetary Fund. Under it, Korea will receive almost $60 billion to pay back, if needed, skittish foreign investors who withdraw their loans. If the program works, investors will no longer fear for their loans and will cease raiding Korea's dollar reserves. For its part, Korea agreed to close down insolvent banks and conglomerates, whose threatened bankruptcy frightened foreign creditors.

These "micro" conditions, requiring layoffs, are tough but necessary. Korea could not forever throw borrowed dollars into failing companies. But the "macro" side of the agreement, which insists that Korea crack down on government spending and the monetary supply, is needlessly arduous, as became clear only after terms of the largely secret deal were disclosed.

The IMF insists that Korea keep inflation low. But that will be nearly impossible. The Korean currency is plummeting, driving prices for imported consumer goods higher. Interest rates are also soaring, which is the inevitable market response to give investors an incentive to hold onto the Korean currency. Besides threatening the survival of Korea's heavily indebted companies, higher interest rates also raise production costs.

For both reasons, Korean prices are headed higher. To hit the Fund's low inflation target, the government might be forced to throw the economy into a recession that could ripple throughout Asia and beyond.

Mr. Kim once threatened to renegotiate the Fund's harsh terms if elected but wisely withdrew the threat after his words unsettled foreign investors. But his criticism of the bailout terms is not wholly wrong. The election provides an opportunity for the Fund to correct its mistakes before they do harm.

— THE NEW YORK TIMES.

Staying On in Bosnia

Clinton's Good Move

President Bill Clinton is paying a political price for reversing direction and deciding to extend indefinitely, instead of ending on a date certain, the American ground presence in Bosnia. He broke a promise. But it was always an unwise promise, since it looked not to actual results but to an arbitrary "exit strategy."

Mr. Clinton is right to move on. He can ease some of the political strain by staying alert to congressional and public anxieties about casualties and "quagmire." He can make sure others among the NATO-led Bosnia peacekeepers carry a full share of the budgetary load.

It is worth recalling that not so long ago many people saw the Dayton agreement as a dead end. There was a feeling that the company of nations was all but helpless to heal Bosnia's wounds. People have come a distance from that despair. The different Bosnians surpassed their own expectations by demobilizing and beginning the painful process of reassembling Bosnia. No longer does one hear people suggesting that the militants can wait out the impatient peacekeepers and consummate partition at their leisure.

There is not enough progress, but there is progress — hard won — and the cautious expectation of more.

If Bosnia were now abandoned, which would be the result of an American pullback, it would not gradually find its way to single-nation coexistence. It would likely be completely partitioned, by more war, with "ethnic cleansing" extended and internationally confirmed. If Bosnia is aided, its and the whole region's prospects pick up.

A new international military mission (under American command) would be part of a security presence whose other part must be a much strengthened Bosnian police force. There should be a sustained effort to try the indicted war criminals and meanwhile, as the president says, to drive them to flee or go underground. Economic and social links among the ethnic communities should continue to be encouraged. The pace of refugee return and rehabilitation needs to be speeded.

In short, it is not enough just to extend a U.S. military role. It is necessary to use the new military commitment to leverage the civilian agenda. That is the way to make the military commitment safer and shorter and to generate an atmosphere making adherence to Dayton the expected and the norm.

— THE WASHINGTON POST.

Europe Must Do More

By extending the stay of American troops in Bosnia, President Bill Clinton may help preserve an unsteady peace. But the use of NATO peacekeepers alone cannot solve the political, economic and ethnic problems that make Bosnia such a troubled land. It would be a good deal easier for Americans to support Mr. Clinton's decision if they thought he had a realistic exit strategy and were more confident that Europe would take greater responsibility for Bosnia's future security and civilian needs.

Two years of NATO presence in Bosnia have assured a welcome measure of peace and healing. But those gains are still fragile.

With no preparations made for transferring NATO's remaining security duties to a more appropriate force and with Europe threatening to withdraw its own forces from Bosnia the minute American soldiers depart, Mr. Clinton left himself little choice but to postpone his June withdrawal date. Like Senator John McCain, we reluctantly accept Mr. Clinton's decision in the interest of preventing a resumption of bloodshed in Bosnia.

But the administration owes Congress and the American people an account of the military tasks remaining and how they are to be accomplished. Legislators should insist that the administration distinguish between objectives that require heavily armed NATO troops and those that are essentially political in nature, like ending broadcast incitements to hatred and strengthening democratic institutions. Much of the security work in Bosnia could be handled by a well-armed international police force, composed mostly of Europeans. Creation of that force should commence immediately.

When he first dispatched American troops to Bosnia two years ago, Mr. Clinton rightly cautioned that they could do no more than provide a temporary respite from ethnic violence to allow the Bosnian people to put the Dayton peace agreement into effect. That careful formulation allowed him to promise that American soldiers would be subjected to minimal risks. To date, no American troops have died in combat in Bosnia.

Before finally committing itself to keeping American troops in Bosnia beyond June, the administration must also extract firm guarantees that Europe will assume more of the remaining security burdens. That may be awkward at the moment, since the White House is anxious to avoid divisions within NATO as the Senate considers plans to expand the alliance eastward. But the truth is that Europe has the ability to finish the job in Bosnia, but not the political will. It will never find that will without the pressure of an American drive toward withdrawal.

— THE NEW YORK TIMES.

Other Comment

'We Can't Take It'

Even in America, there's more than a little Korean-style skepticism about financial and trade openness. Congress stunned President Bill Clinton and the world by denying the administration "fast-track" authority. And when Kodak lost Round 1 in its WTO dispute with Fuji over open markets in Japan, many Americans sulked. Joked a U.S. official: "Americans are great at dishing it out, but we can't take it."

— Tom Plate, commenting in the Los Angeles Times.

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Turkey Overreacts, but the EU Is Not Blameless

By Philip H. Gordon

LONDON — At last weekend's European Union summit meeting on enlargement, EU leaders sought to tread a fine path in managing their relations with Turkey.

Their challenge was to make it clear that Turkey could not reasonably expect to enter the EU anytime soon, while at the same time giving Turkey the feeling that it was still part of the European family and that its candidacy for membership was still alive.

This hoped-for middle ground was not found. Turkey's prime minister, Mesut Yilmaz, rejected the EU's "consolation prize" — an invitation to participate in an all-European conference for EU candidates next spring — and stormed out of the meeting in a huff, refusing even to attend a final dinner for the leaders of aspiring member states.

No one expected Turkey to be happy, but its reaction to the perceived rebuff from Europe has been harsher than anyone imagined. Reactions from Ankara have included not only denunciations of the EU's treatment but several threats: to withdraw its application for EU membership, renounce the 1996 EU-Turkey customs union, annex northern Cyprus if Cyprus joins the EU before Turkey and even veto NATO enlargement.

Some of this — such as the threat to withdraw Turkey's application to join the EU— might not be so bad and might even help clarify the relationship. Other steps, however — such as the threats to end the customs union or veto NATO enlargement — would be nothing short of disastrous.

EU diplomats are right to argue that Turkey is overreacting and that domestic politics are largely responsible.

Turkish leaders must have known that the EU could not offer them any near-term prospects for membership — they have been told this many times. The vehemence of the government's reaction reflects a need to shield itself from nationalistic attacks by the Islamist Welfare Party, whose ouster by the military last June is the only reason Mr. Yilmaz is now in power.

Welfare is scoring points domestically by blaming the country's isolation from the Islamic world on Turkey's close ties with Israel. The last thing Mr. Yilmaz needs is to be perceived as having been rejected by the West as well as the East.

But while Turkey may be overreacting, the EU itself is hardly blameless in the deterioration in relations. The most immediate cause of Turkey's sense of rejection was Brussels' decision to name candidate countries in three groups.

One group of six, mostly former Communist countries would begin accession negotiations immediately; another group of five East European countries would be in a second category for much later membership, and

Turkey could at least have been put on the same footing as others whose talks were put off.

Turkey, all alone, would be in a "third class" category, with no prospects for membership until after all the others had finished their talks.

While the EU is surely right to make it clear to Turkey that it remains far from meeting the criteria for membership — its human rights record, standards of democracy, income levels and even geography all pose big problems — it is hard to understand why Turkey could not at least have been put on the same footing as the other applicants whose negotiations were put off.

That would have allowed Mr. Yilmaz to claim some degree of success and would have spared him the need to make threats he may feel obliged to carry out.

An obvious model for approaching candidates in this way comes from NATO's Partnership for Peace: Let the candidates themselves determine how close a relationship they are ready for, and make them feel they are being treated as equally as possible.

The EU's other self-made (and much more serious) problem in its relations with Turkey is its commitment, made in 1995, to begin accession negotiations with Cyprus six months after the end of its latest intergovernmental conference — that is, in early 1998.

The EU's expressed hope was that the "carrot" of EU membership might be enough of an incentive to get the Turkish Cypriots to agree to a deal with their Greek Cypriot neighbors, and that a reunited Cyprus could join the EU with Turkey's blessing.

The chances of this were always more than remote, however, as EU leaders should have known. Turkish Cypriots' concerns about security and self-determination, along with Turkey's determination to back them, always made it unreasonable to think than an economic incentive would be enough to push Turkish Cypriots into reaching a deal they have steadfastly opposed for more than 20 years, even at the cost of isolation and hardship.

The EU leaders who knew this at the time argue that offering to begin accession talks with Cyprus was necessary to head off a Greek veto of EU enlargement to Central Europe and of the customs union with Turkey.

These were indeed worthy goals, but Turkey's realistic threat to annex the north if the EU goes ahead is evidence that Brussels is paying the price now for its expediency then.

The great irony is that an EU strategy designed to bring about the reunification of Cyprus and a better relationship with Turkey is now likely to end up bringing about Cyprus' formal partition and a rupture between Turkey and the EU.

The threats from Ankara over Turkey's "rejected" candidacy will probably die down once Mr. Yilmaz has had the chance to make a public show of his anger — Turkey's relationship with the West is too important to be sacrificed out of pique. But the Cyprus problem will not go away, and it will have to be managed very carefully next year.

If the EU backs away from its commitment to offer Cyprus membership, Greece will no doubt revive its threats to veto EU enlargement to Central Europe, a strategic priority for Germany and others. If the EU does take Cyprus in, however, Turkey will proceed with the

The biggest problem for the EU vis-à-vis Ankara is its commitment to begin negotiations with Cyprus.

effective annexation of the north. This would mean that the EU will either have to accept Cyprus' formal partition or accept a situation in which Turkey, with 30,000 troops in northern Cyprus, militarily occupies part of EU territory.

The former course would create a crisis with Greece, which would fight against partition, and the latter would create a crisis with Turkey.

The U.S. role as an honest broker in sorting out this mess is limited, but there are contributions that Americans can make. The United States needs to help lower Turkey's expectations about EU membership, which it can do by no longer giving Turkey the impression that Washington will somehow use its leverage to get Turkey in.

But it also needs to remind the EU — so often mired in its own parochial politics — of the importance of Turkey for Western security and economic interests, and of the consequences that a perceived rejection of Turkey by the West would have.

The writer, a senior fellow at the International Institute for Strategic Studies, contributed this comment to the International Herald Tribune.

Monetary Union and Trans-Atlantic Misapprehensions

By William Pfaff

WASHINGTON — This city has awakened to the fact that there is going to be a single European currency, the euro. Washington is alarmed about this but also confused. The confusion follows from the misinformation and ignorance that prevail here about what is going on in Europe.

Ancient stereotypes of dynamic Germany, inflationist France and laggard Italy persist in otherwise sophisticated circles. People ask if France can possibly meet the criteria for joining the new monetary union and are surprised by the news that it is Germany which currently fails the test.

In the latest issue of Foreign Affairs, the Harvard economist Martin Feldstein suggests that creation of the euro could provoke war in Europe because of a French-German struggle for domination. He also says that the single currency could create a risk of war between the United States and Europe.

Ignorance is reciprocal. The Feldstein article, together with the nearly simultaneous publication in Europe of an article by Milton Friedman — dean of monetarist economists — saying that the euro will fail, was taken by some in Brussels and the other European capitals to mean that the United States had already declared war on the euro and intended to block it.

This conclusion assumes a level of sophisticated information in the United States and a capacity for concerted action by the country's elites that do not exist. Continental Europeans tend to believe in conspiracies because they have them. Americans in and out of government tend to be too contentious to conspire successfully — and when they try it's usually leaked to the press.

The reality is that on European monetary union, American economists have different opinions, and the U.S. government as yet has no policy other than the instinctive one of defending the dollar's primacy, without knowing quite how to do it.

The Europeans are themselves unsure about the consequences of merging their national currencies into one. They recognize that monetary union is a gamble, a deliberate bet on the unknown. But this is a gamble fully in the European Union tradition, where ambitious and risky economic ventures have repeatedly paid off and have advanced political union.

This time the bet could be lost. There are convincing arguments against the success of the single currency. If it does not fail, monetary union will automatically bring a degree of progressive economic as well as fiscal integration of nations that could not otherwise have been achieved.

One such step was taken earlier this month in Luxembourg, where the European Union agreed (to British dismay, since Britain, not a monetary union member, will be left out) to create an informal and exclusive inner council to supervise the single currency.

When the Europeans have tried in the past to create a degree of political unity capable of supporting a common foreign and security policy, they have stumbled on the general unwillingness of old nations to give up political sovereignty.

When, as they are doing with monetary union, they have gone through the back door of economic integration, they have often produced remarkable and little-noticed advances in political union. This will happen again if the euro is a success.

Thus to suggest that the single currency will inspire the French and Germans to fight one another is to display a total misunderstanding of the nature of French-German relations today and of the European Union itself.

To say that the euro could provoke European-American war is even sillier, unless Mr. Feldstein thinks that the United States would actually launch a war to destroy a European challenge to its currently uncontested global preeminence.

The euro will undoubtedly contribute to trans-Atlantic tensions. But these already are increasing, for reasons unconnected with monetary union.

Industrial restructuring on both sides of the Atlantic, together with globalization, has been changing the European-American industrial and economic competition from one in which both sides have a number of players, and in which trans-Atlantic industrial alliances function, into one in which there is only one player on each side.

The game, as the strategists say, thus is changing from plus-plus to zero-sum. That is, one side now wins and the other dies.

Last summer, after the McDonnell Douglas-Boeing merger, Boeing's chairman, Philip Condit, made the unguarded comment that Boeing now had to "kill" Airbus. That produced a big shock in European industrial and political circles. One result was the European Union's anti-trust challenge to the American companies' merger.

But Mr. Condit was stating a fact of economic life, according to the new rules of globalized competition. Europe and the United States are now locked in rivalry in a number of areas where, for the Europeans, the stake is the survival of an entire industrial sector.

The single currency's creation is meant to strengthen the European Union. It is not directed against the United States, but it will obviously affect the economic position and political influence of the United States.

However, competition is supposed to be a good thing. So it has always been said in Washington.

International Herald Tribune.
Los Angeles Times Syndicate.

Doomsday Scenarios for Asia Overlook a Few Points

By Flora Lewis

PARIS — Two months ago, when the Asian financial crisis had hit Thailand, Malaysia and Indonesia, government heads and business leaders who had gathered at the World Economic Forum's meeting in Hong Kong professed for the most part to foresee an early recovery. Now, with South Korea and others swept by the storm, there are predictions of meltdown and possibly worldwide disaster.

The earlier attempts to talk away the trouble were clearly wrong even at the time. The need for reforms in banking and certain government practices was obvious. The swing to a doomsday scenario now is an even bigger error.

It is true that panic is dangerously contagious, and that psychological factors are driving markets down and down beyond economic realities. But the world has changed. This is not 1929-33 precisely because lessons were learned from the Depression.

Institutions were built, mechanisms established and concepts evolved to deal with economic epidemic. The current crisis is a reminder of how essential they are and how much they need international cooperation to function effectively.

Business and bankers got far out ahead of governments in globalization. Officials and politicians have been slow to catch up, thinking still in narrowly national terms in too many cases. But a requirement of the global marketplace is necessarily more efficient global market management, and this is being recognized at least by those who are responsible.

The International Monetary Fund has already committed more than $100 billion to keep international payments fluid, and it may have to pour in a fair bit more. It is nonsense to say the money might not be there. It is there if there is the will and sound judgment to provide what is needed, and it was recklessly foolish of the U.S. Congress to refuse an increase of IMF funds for the totally irrelevant reason of opposing abortion. But that can be fixed; it isn't too late.

This is not 1929-33 precisely because lessons were learned from the Depression.

The argument about how far the IMF and central banks should go in offering rescue packages is a reasonable one. If the aid is too automatic, or insufficiently conditional, it can create a reliance syndrome that destroys the IMF's capacity to demand the discipline needed to restore market health.

But punishment that devastates indiscriminately doesn't bring order either, it only adds to the disorder. Just where to seek the proper balance between saving grace and righteous recrimination is a matter that can and is being debated.

This is to the good so long as the central purpose is clearly kept in mind. It is not to prove something or other about the theories of economics. It is to keep the world economic system, now so widely interconnected, functioning as soundly as possible.

For all the difficulty there is in grasping and guiding the "invisible hand" of the market, a financial system is not an act of God, like an earthquake, or an invention of nature, like a cosmic collision. It is organized and run by people, and people — meaning, essentially, governments — can organize themselves to make sure the machinery they have produced runs properly.

There is talk now about excess production capacity in certain key sectors, resulting largely from the long Asian boom, driving prices down and toppling a long line of business dominoes into bankruptcy.

But excess, or inadequate, capacity can be measured only by demand, and demand for most of the goods and services the world can produce is determined by purchasing power. Maybe building a lot more cars is not a good idea, but we are a long way from running out of needs and wants to provide each other.

The ideas of John Maynard Keynes are coming back into vogue with the talk of the risk of deflation. For a long time, Keynes has been terribly out of fashion because of the supposition that his concern with purchasing power meant he favored inflation.

He was by no means so one-sided. But it seemed a lot more agreeable and politically popular to keep priming the pump when the water was low than to siphon off purchasing power when inflation threatened to flood, which he also recommended. What matters is keeping a steady level of expansion that reflects true added value, new wealth that is not just paper but real benefit in how people live.

That has happened in large parts of the world, and with care and prudent practice it can be sustained.

Carol Bellamy, who heads Unicef, points out that the Asian currency crisis will not change the fact that children are being educated in those countries on a scale never known in their history, and as a result their lives, their ability to produce and consume, are being transformed.

It isn't the same old world going through the same old disasters. The changes also bring the skills and the knowledge to prevent them if we choose.

Flora Lewis

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Russia in Asia

BERLIN — There is a good deal of excitement owing to the occupation of Port Arthur by Russia. An inspired paragraph appears in the Norddeutsch Allgemeine Zeitung: "It has no aggressive significance and, above all, does not clash with German interests in East Asia. On the contrary, one may presume that the almost contemporaneous occupation of the Bay of Kiao-Chau by Germany and Port Arthur by Russia is simply a continuation of the cooperation between Germany and Russia in East Asia."

1922: Turkish Women

CONSTANTINOPLE — Halideh Edib Hanum, wife of the new Nationalist Minister, will be a candidate for the National Assembly. It is undecided whether women will be given the right to vote at the coming elections, but Mustapha Kemal strongly favors granting them the franchise immediately. In any event, the day of the Turkish woman's slavery belongs to the past. The time seems soon coming when she will enjoy equality with men, like her Western sisters.

1947: Truman's Plea

WASHINGTON — President Truman formally asked Congress to put seventeen billion dollars into the Marshall plan for the reconstruction of Western Europe. The President sent a 9,000-word message to Congress urging it to throw United States money and productive capacity into the program lasting until 1952. He said the adoption of the Marshall plan would be "proof that free men can effectively join together to defend the free institutions against totalitarian pressures and promote better standards of life for all their peoples."

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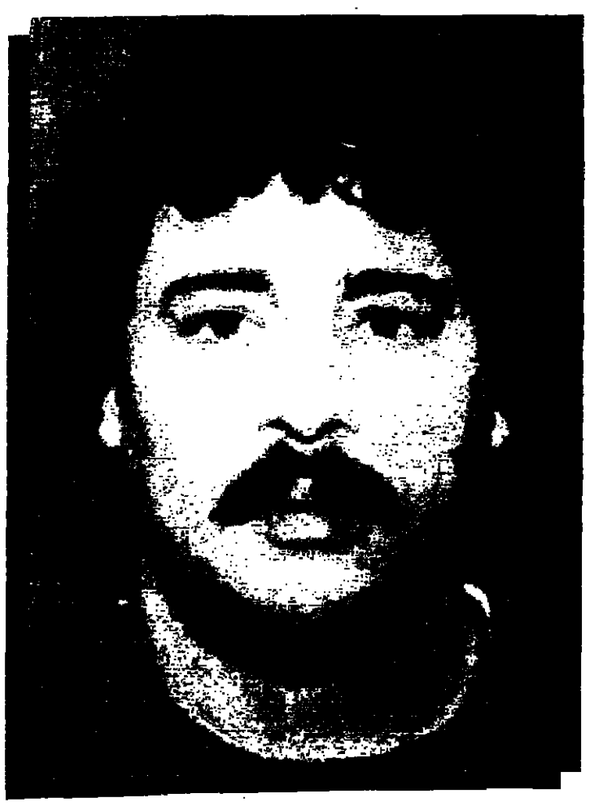

LAMEN KHALIFA FHIMAH

Fhimah and Megrahi, Libyan nationals, are indicted for the bombing of Pan Am 103. The United Nations has invoked sanctions against Libya for not turning Fhimah and Megrahi over for trial. The U.S. Government and the U.S. airline industry are offering a reward of up to $4 million for information leading to their arrest. The U.S. Government will protect your identity and could relocate you and your family in exchange for information. If you have information about either Fhimah or Megrahi, contact the nearest U.S. Embassy or Consulate. In the U.S., contact the F.B.I. or call **1-800-HEROES-1.**

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Filippino Lippi Drawings: A Lost World of the Renaissance

International Herald Tribune

NEW YORK — It could be called the hidden facet of Renaissance art. With a show as understated as it is elegant, and the accompanying book distributed by Harry N. Abrams that is the indispensable complement to it, under their common title, "The Drawings of Filippino Lippi and His Circle," the Metropolitan Museum has scored brilliantly.

No one, it seems, had thought of pulling together all the drawings, more than 100, now recognized by scholars as

SOUREN MELIKIAN

the work of the artist and those closest to him. The result is astonishing. The sheets on which the Florentine masters consigned their first thoughts before translating them into carefully crafted altarpieces and other paintings reveal a world as far removed from the latter as it seems close to ours — terse, incisive, concerned with probing the human soul and not with the decor so prominent in the works for public display.

Could it be because these sketches were made by the artists for their private use and drew on their personal experience? The information now available about Filippo Lippi and his son, Filippino, put together by Elizabeth Barker, makes one wonder. Young Filippino came into this world surrounded by a whiff of scandal if we are to believe the painter historian, Giorgio Vasari, who wrote half a century after the event.

On May 1, 1456, the day when most in the small town of Prato, Italy, were out to celebrate the feast of the Girdle of Our Lady, a young nun of 23, Lucrezia Buti, and a Carmelite friar in his 50s who was a chaplain in the convent, Fra Filippo Lippi, ran away to taste forbidden joys. The fruit of their escapade was Filippino Lippi, born in the winter of 1457-58. Law-abiding Christians disapproved.

A letter of denunciation, prudently anonymous, survives, addressed to the bureau of public morals. Dated May 8, 1461, it notes with deep concern that Fra Filippo was the father of a child conceived by a nun. Their son, Filippino, was "big." He lived with his father Fra Filippo. Once can almost hear the voice trembling with indignation.

But this was Italy and it always helps to be a great man. Friar Filippo Lippi was already a famous painter. Nothing happened. True, the young nun took her vows again two years later, but without much conviction — in effect, she lived happily ever after with her chosen companion, and "big" Filippino stayed with his father. Not only did the church overlook their sinful lives, but it went so far as to entrust commissions to the father and made payments to the father and son.

An entry, dated May 13, 1467, gives documentary evidence that Filippino, while still a boy of 10, was being trained on the job by his father. In 1469, tragedy put an end to all that when he passed away. We do not know precisely what happened then, but in 1472, Sandro Botticelli, who had worked under Filippo, took the boy into his workshop for several years.

By 1482, Filippino had attained artistic independence. In September, the 25-year-old signed a contract for an altarpiece in Lucca. The year after, Filippino was busy painting for the Friars of San Gimignano two Annunciation tondi now in the Municipal Museum. Filippino's career as a church artist, it seems, was no more affected than his father's was by the unorthodox circumstances of his birth.

Should a parallel be drawn between these life patterns, so agitated behind a decorous facade (Filippo continued to be "Fra Lippi," Friar Lippi, as if nothing had ever perturbed an unblemished monastic career), and the contrast that

British Museum

Drawing by Filippino Lippi (1457/58-1504).

makes the suavely polished church paintings so different from the incisive sometimes dramatic sketches that prepared the way for their execution?

A striking study considered to be the work of Filippo shows a woman standing, hands raised, with her gnarled fingers painfully stretched, distorted by arthritis, her lips tightly pressed, her forehead wrinkled. This is an elderly countrywoman, shaking with uncontrollable emotion. No better model could be found for the women mourning Jesus, but nothing like it is to be seen among the stylized figures that fill the master's golden ground panels.

A pen-and-brown ink sketch of clerics chirpily chatting behind a burly chaplain as they all stand by an open coffin in which the deceased lies in repose seems to have been used as a model for the monumental "Funeral of Saint Stephen," painted by Lippi in the Choir Chapel of the Cathedral at Prato. Again, the pithy liveliness of the drawing has vanished in the finished work.

Even the most elaborate drawings display an aptitude at delving deep into human feelings that somehow leaves no trace in the formal paintings. Filippo Lippi's head of a young man drawn with a sculptural perfection, his eyes lost in unfathomable reverie, is as stirring in its immediacy as the expression of the angels in the Berlin tondo, "The Virgin and Child With Eight Angels," which it is said to have inspired, is bland.

In the drawings ascribed to Filippino, the distance between the preliminary study and painting becomes even more extreme. There is nothing in common between the disheveled youth, head bent forward with closed eyes under the weight of despair, and the languidly bored "Sebastian" in the panel that still hangs in San Michele in Foro at Lucca. A portrait in black chalk of an elderly man, possibly Mino da Fiesole, whose wrinkled forehead and sagging features with deep bags under the eyes exude weariness has no remote match in the painted oeuvre.

Perhaps the most striking evidence that drawing was a kind of private garden for artists whose public commissions projected the image of a stylized world comes from two sheets ascribed to Filippino Lippi. They reveal an astonishing master of animal art. In one, faint remnants of an ox, head lowered, sniffing the air, wonderfully alive, can just be made out — it might have been sketched with a view to painting some "Nativity" scene.

THIS is nothing, however, compared with one of the most extraordinary animal studies in Renaissance art. Obviously sketching from life, Filippino Lippi quickly drew two horses, one standing sideways, the other appearing three quarters, craning its head to look at its mate, its ears pointed forward with an almost human expression. Such a powerful drawing can only be the work of a draftsman well accustomed to sketching animals. Yet, the few horses to be seen in the painted oeuvre are as stiff as wax dummies.

Although that is not the purpose of this most wonderful show, the retrospective of the drawings by the Lippis, father and son, thus brings out into the open a Renaissance enigma — the split-personality case that the abyss separating the drawings from the paintings implies. The public is deeply indebted to the three curators, George Goldner and Carmen Barnbach of the Met and their colleague Alessandro Cecchi at the Uffizi, for putting this show together. There could be no better way of forcing to our attention an art otherwise far removed from the present age.

"The Drawings of Filippino Lippi and His Circle," Metropolitan Museum, runs through Jan. 11.

Around Paris Galleries, a Walk on the Wild Side

By Michael Gibson
International Herald Tribune

PARIS — Born in Hagen, Germany, in 1912, **Emil Schumacher** is still painting energetically at 85.

Although his work has been abstract and, in a sense, expressionistic, ever since the late '50s, the exhibition at the Jeu de Paume clearly demonstrates that Schumacher has little in common with the rip-roaring postwar generation of German Expressionists.

While deep and strong, his color is never brutal. The sturdy but hesitant composition, the rich, rough surface and warm blend of colors somehow suggest that the work is still in progress, as though it were about to change before our very eyes. ("Emil Schumacher," Jeu de Paume, to Jan. 4; the Hamburg Kunsthalle, Feb. 6-April 19, and Munich's Haus der Kunst, May 8-July 12.)

□

Roman Cieslewicz, who died in January 1996, was one of the great graphic artists of our day. Born and trained in Poland, he lived and worked in France, producing witty collages and mordant posters, many on political subjects. The Galerie de France, 54 Rue de la Verrerie, to Jan. 24, and Galerie Agnes B., 6 Rue du Jour and 17 Rue Dieu, to Jan. 17, have joined forces to mark this anniversary by presenting his last works.

Cieslewicz was a compassionate man with a sharp wit and a dark Polish grudge against history, and he had, in recent years, become increasingly incensed by the manifestations of political idiocy and inhumanity in various parts of the world.

This is most apparent in the third and last issue of an artist's magazine entitled Kamikaze, conceived and designed by Cieslewicz and brought out on the occasion of this exhibition as a sort of testament. Here, as in life, a veneer of nonsense sweetens the bitterness of history. Auschwitz is graphically present on several counts, one of them being that Cieslewicz's first wife was a survivor of the camp. More recent events, like the siege of Sarajevo are evoked in accusatory images, as is, with fierce effectiveness, the current progress of the far right in France.

□

Magdalena Abakanowicz, another Polish artist, is a powerful and original sculptor. Her show at the Marwan Hoss Gallery (12 Rue d'Alger, to Jan. 31) is mainly devoted to some very large oblong pieces made of wire, gauze, jute and willow branches that rest on the ground like oversize pods or unhatched cocoons, and to a number of equally large wire sculptures, shaped like strange, many-winged birds in flight.

There is an eerie quality to these works and, to those whose imagination is so inclined, their enigmatic shapes and powerful physical presence may suggest alien living species come to nest in the quiet haven provided by this gallery.

□

In 1976 a major Paris exhibition was devoted to Louis Soutter (1871-1942). It met with surprisingly little success, at least in the press. Today about 100 works of this singular artist are on view at the Swiss Cultural Center, an attractive space tucked away in an alley of the Marais (38 Rue des Francs-Bourgeois, to Jan. 25).

Soutter was exceptionally gifted both as a musician and as an artist, this last fact being attested by the strangely hyperrealist ink portrait of Beethoven he dedicated to his teacher, the famous violinist Eugene Ysaie in 1894.

In 1896 he met a strikingly beautiful American woman and moved with her to Colorado Springs, where they married the following year.

Soutter earned his living by teaching drawing at Colorado College and the violin independently. His qualities were applauded and rewarded and the prospects appeared excellent when, in January 1903, his wife sued for divorce on grounds of mental cruelty. The following month, Soutter resigned his teaching position at Colorado College and returned to Europe.

Friends who had seen him off only a few years before were horrified by the state of mental and physical ruin in which they found him.

He never recovered his ability to run his own life and ultimately withdrew into the relative seclusion of an old people's home in Ballaigues at the age of 52.

At this point he began to produce the extraordinary drawings shown in this exhibition, the most poignant of which are the finger-paintings. Done between 1935 and Soutter's death in 1942, they appear to record the shadows cast by some unexplained psychological disaster that turned the artist into a hollow-eyed, hollow-cheeked survivor.

A drawing by Louis Soutter, done in the early 1930s.

How foreign they are to the earliest work in the show, the strange, imposing portrait he offered Ysaie!

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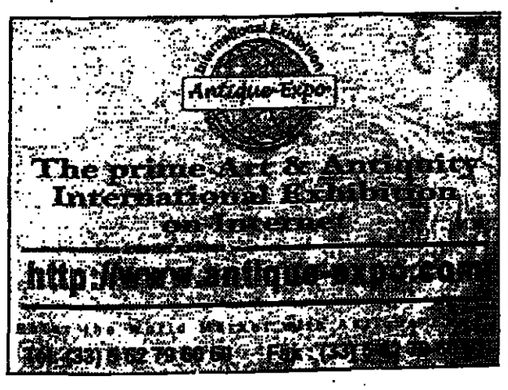

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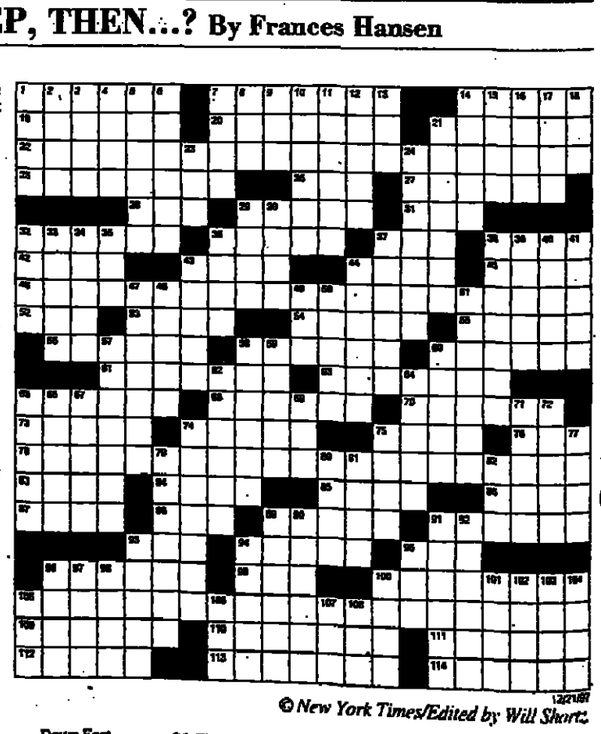
FIRST THE SHEEP, THEN...? By Frances Hansen

ACROSS
1 1962 Tommy Roe hit
7 "I'd rather not hear about it!"
14 Go with the flow
19 "Casablanca" producer
20 Meteorological effects
21 "Beggars can't be choosers" et al.
22 Start of a verse
25 Ring thing
26 Toothpaste-approving grp.
27 "I Know" singer Farris
28 Christian ——
29 "Olympia" painter
31 Every, in prescriptions
32 Tot's transport
36 They may have soft shells
37 Filippo Lippi's title
38 Finger, so to speak
42 Muezzin's call to prayer
43 Unnerve
44 Plum pudding ingredient
45 From Umbria: Abbr.
46 Verse, part 2
52 Dolly, for one
53 Lust after
54 Sailplanes
55 Stag
56 O.K.
58 Attribute
60 Mug
61 Designer in J.F.K.'s White House
63 Take under one's wing
65 Thin
68 Nice touch
70 "Caught" star Maria Conchita ——
73 ——garde
74 Netanyahu's predecessor
75 Starbuck's captain
76 Its capital is Altdorf
78 Verse, part 3
83 Galley feature
84 "How now! ——?": Hamlet
85 Caesar's wings
86 Malodorous
87 Christian Science founder
88 *RR stop*
89 Jelly Roll Morton biographer Alan
91 Locale of Ptolemy's lighthouse
93 Good name for a chef?
94 Hardly a sissy
95 West of Hollywood
98 Patch up
99 Princess Yasmin ——Khan
100 Obvious clue
105 End of the verse
109 Person in a booth
110 ——Trail (Everglades highway)
111 Testify under oath
112 Nervous, with "up"
113 Clytemnestra's killer
114 Sprung up

DOWN
1 Draft
2 Harness part
3 K-6: Abbr.
4 St. Pierre and Miquelon
5 Refuse
6 Classify
7 All there
8 Plunk
9 One of Knute's successors
10 Cheese made of 52-Across's milk
11 Cuts into
12 French Revolution leader
13 Toledo-to-Akron dir.
14 Extra
15 *Not-so-mild oath*
16 Stravinsky ballet
17 A Dumas
18 Lao——
21 Lively, to Liszt
23 Dona —— (Las Cruces' county)
24 The Magi, notably
29 Hampton Court feature
30 They're nonreturnable
32 Kind of warden
33 Boston Symphony conductor
34 Christmas tree hangings
35 Even one
36 Napoleon relative
37 W.W. II tyrant
38 Certain rating
39 Friend of Aramis
40 See 72-Down
41 Bugs bugs him
43 Desktop publisher's supply
44 Social climber's concern
47 Affirm under oath
48 Ragwort variety
49 Strange "gift"
50 They may be modified
51 Richard Leakey's birthplace
57 Set back?
58 Making no progress
59 Sticks in the mud
60 Stalin's persecuted peasant
62 Bygone delivery person
64 Source of the Truckee River
65 It may be toxic
66 Work around
67 Broken
69 Shakespearean verb ending
71 Babydoll
72 With 40-Down, Down East university town
74 Discompose
75 Bon Ami alternative
77 Rube the wrong way
79 More odious
80 Crimson Tide, for short
81 Panache
82 Blue Eagle inits.
88 Mesquite or mimosa, e.g.
90 Muscateers?
91 Shanxi shrine
92 Marilu of "Taxi"
93 Socked away
94 Helga's husband
95 Thon squared
96 First South Korean president
97 Hard to hold
98 Mayberry's Goober
100 Biol., geol., etc.
101 Name of two ancient Egyptian kings
102 Cries of surprise
103 Kind of wave
104 The Untouchables, e.g.
105 "Naughty!"
106 W.W. II arena
107 Make an antimascassar
108 Cockney residence



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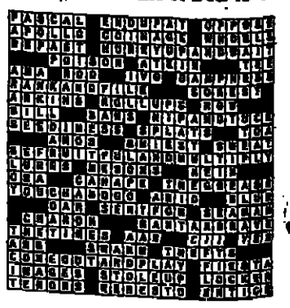
Solution to Puzzle of Dec. 13-14



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Eurotunnel Franchise Extended

Compiled by Our Staff From Dispatches

PARIS — The French and British governments agreed Friday to extend Eurotunnel's lease to operate the Channel Tunnel by 34 years after settling a dispute over how much of the company's profits they will take.

The concession to run the rail and road undersea link between France and England, which was to have expired in 2052, will now expire in 2086.

In return, the governments will get 40 percent of after-tax profit and 59 percent of pretax profit between 2052 and 2086, the British-French company said.

Under the agreement, Eurotunnel must also put measures in place to help develop rail freight through and beyond the tunnel.

The amount is more than Eurotunnel had hoped to pay. In September, reporting that talks over the extension had hit a snag, Eurotunnel's chairman, Patrick Ponsolle, said the governments were seeking more than the 25 percent he had initially sought.

The extension gives shareholders a longer time in which to try to make a profit on their investment in what has been largely an unprofitable operation. Eurotunnel has posted losses totaling £1.9 billion ($3.16 billion) in the two-and-a-half years since the tunnel opened.

France and Britain said their agreement was subject to regulatory approval and conditioned on implementation of Eurotunnel's financial restructuring. Last month 174 banks agreed to the restructuring in an effort to relieve the company's £9 billion debt burden. In exchange for writing off about one-quarter of the debt and cutting interest rates on the rest, the banks received nearly a 50 percent stake.

While the debt-for-equity swap involved pain for both banks and shareholders, analysts said it was the only way to avoid bankruptcy proceedings.

Deputy Prime Minister John Prescott of Britain described the agreement as "excellent," especially a French pledge to liberalize freight on parts of its rail network leading from the tunnel.

"These have been tough negotiations, but I believe that we now have in place an excellent deal for Britain, France and Europe," he said.

Mr. Ponsolle said in a statement that he would have preferred the government's share of company profits to be "lower and nearer to the level mentioned in summer."

But he said that for the shareholders, "the most important thing is to be assured of being able to benefit from 60 percent of the profits after tax for 34 years longer than initially planned."

(AFP, Bloomberg)

Thomas Cheng/Agence France-Presse

AT LAST, A BIT OF CHEER — A Santa Claus handing out gifts at the Hong Kong Futures Exchange before the trading session Friday. Traders wore Santa Claus hats in support of a local Christmas charity.

Bangkok-Angkor Wat Link Opens

By Thomas Crampton
International Herald Tribune

SIEM REAP, Cambodia — Blessed by a monk and hailed by officials as a historic step for regional tourism, the first direct international flight to Cambodia's famed Angkor Wat temple complex was launched Friday, from Bangkok.

The route, on which tiny Bangkok Airways has a monopoly, could prove a gold mine for the Thai company and help revive the war-torn country's collapsed tourism industry.

The Angkor temple complex, considered one of the world's greatest artistic creations, is made up of dozens of stone temples built between the 9th and 13th centuries.

Top officials and a troop of brightly clad dancers greeted the VIP-laden aircraft at Siem Reap, just a few kilometers from the park containing the monuments and the vacant hotels that adjoin it.

"Tourists don't believe that Cambodia is peaceful enough to visit, so we will bring them directly to Siem Reap," the Bangkok Airways president, Prasert Prasarttong-Osoth, said.

The new route — regular service starts on Jan. 9 — opens direct access from Bangkok to the temples that formerly could only be reached by passing through Cambodia's capital.

Tourism, an important currency earner for the impoverished and aid-dependent country, came to a standstill following Second Prime Minister Hun Sen's bloody seizure of power in July.

While officials say the number of visitors has dropped by just 20 percent from last year, industry sources said new arrivals to Siem Reap have dwindled to a small fraction of last year's level.

Government soldiers stand guard at the monuments, and officials stress that tourists are not taking a risk by visiting the temples.

The new route slashes travel time from Bangkok from half a day to less than an hour.

The connection by Bangkok Airways, in a 70-seat propeller-driven ATR-72, takes just 55 minutes and leaves passengers within four kilometers of the temples.

The service, which costs $310 round-trip, will begin with four flights per week, increasing to two flights daily by March.

ECONOMIC SCENE

History Isn't on the Side of Supremacy

By Allan Sloan
Washington Post Service

NEW YORK — When the biblical King Solomon observed in the Book of Proverbs that "pride goeth before ... a fall," he obviously was not talking about the U.S. economy in 1997. But he could have been.

In fact, those of us with a sense of irony and a little knowledge of economic history start to get nervous when we hear that the United States is now the economic model for the rest of the world and we can look forward to a glorious American Century, if not an entire American Millennium. Because about the time the triumph of some economic system or other is proclaimed, that system is almost always getting ready to fall flat on its fanny.

Before we get into that, let us give the U.S. economy its due. These are glorious times for the United States, both in absolute terms and in comparison with Europe and Asia. The booms in the U.S. economy and stock market have gone on far longer than almost anyone expected. Employment is rising rapidly, the economy is going strong for the seventh straight year, inflation is almost nonexistent. The federal budget deficit has largely disappeared.

Despite a few hiccups (and that big gulp in October), the U.S. stock market is finishing its best three-year stretch ever. On average, investors have more than doubled their money since the start of 1995.

Meanwhile, financial diseases such as "Eurosclerosis" and "Asian flu" are crippling economies in Europe and Asia. Most of Europe is stagnant, and it sure looks as if financial crises have brought the boom in much of Asia to a screeching halt.

So why not join the American triumphalists? After all, things are going great here, at least for the people who have decent jobs or enough money to have put big bucks into stocks. Why not gloat?

Because when it comes to economics, no one stays on top forever. And arrogance is almost always the precursor of decline.

About the time the triumph of some economic system is proclaimed, that system is usually getting ready to fall flat on its fanny.

Remember 1992, when Bill Clinton ran for president by pillorying the poor performance of the U.S. economy? Back then lots of people were invoking Europe as the model the United States should follow. Now we hear how hard it is to change things in most European countries, and how safety nets make it almost as rewarding to be jobless as to work.

In the 1980s, Japan was throwing its weight around and pundits foresaw the Pacific Century. Well, maybe it's the 22d Century. In the 1970s Arab oil countries and the Shah of Iran — remember him? — regularly lectured the United States about how to manage its economy. Haven't heard much from them lately, have we?

In this context, the idea that the United States has found a magical formula for growth is just plain silly. One reason the U.S. economy is doing so well is that interest rates are relatively low. That is in large part because capital from the rest of the world flooded into our country, helping finance once-gigantic federal deficits without running interest rates to the moon.

Remember how a passing remark by the Japanese prime minister about how Tokyo might sell Treasury securities started a brief panic in the U.S. stock market? And keep in mind that one of the assumptions underlying the optimism about inflation is that desperate Asian companies will cut prices deeply in order to sell in the United States for dollars to pay their debts: That's Asian hard luck, not U.S. brilliance.

Paul Krugman, a Massachusetts Institute of Technology economics professor, argued, "The good news comes down to only one thing: Wages have failed to rise despite low unemployment. Everything else is just hype."

So before any chest-bumping or trash-talking in honor of the triumph of the U.S. system, remember what happened to the Europeans, Japanese and Arabs about the time they started lecturing the world on how to behave.

Remember the wisdom of Solomon, who should have heeded his own advice. His proudest achievement — building the First Temple in Jerusalem — forced him to tax the Israelites heavily, causing the breakup of his kingdom after he died. But he sure knew how to coin a phrase.

THE ASIA FALLOUT

Chips May Be Just the First to Fall

Micron's Woes Watched by Other High-Technology Firms

By Elizabeth Corcoran
Washington Post Service

SAN FRANCISCO — No one wants to be the canary in a coal mine. But that is what executives of Micron Technology Inc. feel like these days, as they watch to see how Asia's economic crisis will affect high-technology companies.

The Idaho-based maker of computer memory chips reported disappointing first-quarter results for its financial year on Monday: just 4 cents a share, down from 33 cents a share in the year-earlier quarter.

In that three-month period, the average selling price for Micron's chips plunged about 25 percent.

Micron thinks South Korean chipmakers may be partly to blame. In a letter to U.S. trade regulators last week, Micron accused South Korean companies, desperate for foreign sales and foreign currencies, of "dumping" chips on the world market below cost.

As the last U.S. company still producing memory chips as a core product, Micron has been particularly hard-hit by the Asian turmoil. But other companies may soon share its misfortunes, analysts suggest.

This week, analysts at the San Francisco-based brokerage Robertson, Stephens & Co. downgraded a half-dozen technology sectors and stocks. Last week, the Pacific Stock Exchange technology index fell 9.8 percent, reflecting investors' concerns about Asia.

On Dec. 12 alone, the technology-dominated Nasdaq composite index fell 2.4 percent in value. It was the worst week in a decade for tech stocks, and after a brief recovery, tech stocks slid again this week.

Stock turbulence aside, "we think we're still in the early stages" of assessing how the Asian crisis will affect the business of U.S. technology companies, said John Rohal, who heads research at Robertson, Stephens. It may take another quarter or two before the full magnitude of the events are felt, he added.

The next sector to be affected may be the companies that make semiconductor manufacturing equipment and that had been counting on big sales to Asia.

For example, Applied Materials Inc., a leading tool manufacturer based in Santa Clara, California, gets about 55 percent of its revenue from Asian countries, including Japan.

A spokesman for Applied declined to comment, other than to say the company was "keeping a close eye on the situation."

There is a six-month lag between semiconductor tool orders and deliveries, said Dick Greene, a principal analyst with Semiconductor Equipment and Materials International, an industry trade group in Mountain View, California. As a result, any slowdown in equipment purchases may not yet have shown up on these companies' bottom lines.

The trade group released its latest summary of the ratio of new business to shipments this week, called the book-to-bill ratio. It slipped to 0.99 for November, meaning that the industry received $99 of orders for every $100 worth of products shipped.

Overall, orders for all kinds of semiconductor tools are still growing, Mr. Greene said. But orders for "front-end" tools — those needed to ramp up production for chips — slowed in November, dipping to a book-to-bill ratio of 0.93, he reported.

Mr. Greene said he believed the industry would remain strong.

"As long as there's a demand for these chips at a [profitable] price, someone will pick up the slack," he said.

Other analysts were less upbeat. There are rumors that Hyundai will postpone a $5 billion chip plant in Scotland," Mr. Rohal said. If that happens, semiconductor equipment makers will have to weather another blow, he said.

Apart from chipmakers and their suppliers, the larger computer companies depend most heavily on Asian sales. Goldman Sachs & Co. says computer makers such as International Business Machines Corp., Hewlett-Packard Co. and Digital Equipment Corp., earn from 15 percent to 20 percent of their revenue in Asia.

Companies that sell computer networking equipment, such as Cisco Systems Inc., typically earn from 10 percent to 15 percent of their revenue from Asia. So do traditional telecommunications equipment companies.

Least affected by slowing sales in Asia are technology companies in the service sector, including large computer consulting firms such as Electronic Data Systems Inc., which gets only 6 percent of its revenue in Asia. A spokesman for Electronic Data, Randy Dove, said that service companies had long-term contracts that were harder to sever.

The impact of the Asian crises on high-tech companies also depends on where companies are pulling in revenue — and in what currency, said Vladi Catto, chief economist of Texas Instruments Inc.

Products made in Asia are often shipped elsewhere, to places where demand may still be brisk, and the falling currencies of Asian nations make their products less expensive on world markets. Texas Instruments Inc., for example, gets about 15 percent of its revenue from selling electronic components in Asia, excluding Japan. About half of those parts end up in products sold throughout Asia, he said. The other half end up in products exported from Asia.

"So we could sell semiconductor to Nokia, and Nokia will re-export a large portion of those in cell phones to other parts of the world," Mr. Catto said.

But that benefit could vanish if the slowdown in Asia drags down growth in the rest of the world, said Brad Koenig, managing director of Goldman Sachs's high-tech group in San Francisco.

Steve Appleton, the chief executive of Micron, says he is worried that the financial rescue of South Korea could help Korean companies increase memory chip output.

He has urged U.S. officials to make aid contingent on Korean companies avoiding that.

For Micron, Mr. Appleton said, there will be no bailouts, just a stark capitalist reality: "Unless the business has a decent return, you can't sustain it."

High Stakes for Boeing

72% of Foreign Sales Were in Asia in 1996

By Tim Smart
Washington Post Service

SEATTLE — At Boeing Co.'s gargantuan factory north of town here, workers are putting the finishing touches on a $150 million 747 jumbo jet for Korean Air. South of town, other Boeing workers are busy delivering a 737 to Thai International Airways, one of five the Asian flag carrier will take delivery of this month.

But on another Boeing tarmac, another 737 sits idle while Garuda Indonesian Airways tries to line up financing for the $30 million plane.

Such are the crosscurrents Boeing faces as its executives grapple with the Asian currency and economic crisis. Like many American multinational corporations, Boeing is betting heavily on Asia for its future growth.

But few other American companies receive such a huge chunk of their current income from Asia.

The leading U.S. exporter, Boeing, counted on Asia for 72 percent of the $10 billion in foreign sales it posted last year.

Boeing predicts that the region's airlines will buy $300 billion of the more than $1 trillion in new airliners that it expects to be sold industrywide in the next 20 years.

"We keep waiting for somebody to throw a rock in our face," said Harry Stonecipher, Boeing president. "But realistically things seem to be holding in place."

Six months after the first signs of the Asian currency crisis began surfacing, Boeing still does not have a clear picture of how the devaluations of currencies and resulting economic slowdown will affect the company.

Boeing did say last month that it expected airlines in Asia to order 20 fewer planes a year over the next three years. That is a cut of about one-third from the projected rate of delivery.

But that analysis resulted less from hard market information than from economic forecasts. Company planners assume a 40 percent drop in economic activity in the four most affected countries — Thailand, Malaysia, Indonesia and South Korea. Boeing analysts then calculated that there would be about a 33 percent falloff in orders.

So far, though, only Hong Kong-based Cathay Pacific Airways has said publicly it wants to delay — but not cancel — options on orders, although the carrier still plans to take delivery of seven new Boeings over the next two years.

Indeed, said Larry Dickenson, vice president for Asia-Pacific in Boeing's commercial group, "We are talking currently with several Asian airlines about ordering new airplanes."

Still, Wall Street is unnerved about the threat of an Asian meltdown and the resulting effect at Boeing. Earlier this week, analysts peppered Mr. Stonecipher and other Boeing executives about Asia, and they continue to offer words of caution on Boeing shares.

Boeing shares closed on Friday at $48.6875, down $1.125. The stock is essentially even with where it started the year after reaching a midsummer high around $60. Since then, it has fallen both on worries about production problems and concern about Boeing's exposure in Asia.

One reason that airplane orders have not tumbled yet in Asia is that the major Boeing customers in the region tend to be "flag carriers," or national airlines, whose traffic is often routed to international destinations such as the United States. This means they are a source of foreign currency, as incoming passengers pay for their tickets in their own currencies.

"We keep waiting for somebody to throw a rock in our face, but things seem to be holding in place.'

"It is the airline that is generating hard currency," said Mr. Dickenson.

The slowdown in Asia could not have happened at a better time for Boeing. The company has been struggling to keep its production up amid problems with out-of-sequence work and parts shortages.

Asian airlines traditionally have been among the most conservative buyers, ordering planes one or two at a time. Their fleets also are turned over more frequently than their American or European counterparts.

That means they could find ready buyers for used airplanes that they have depreciated, allowing them to book a profit and then finance new airplanes that are much cheaper to operate at favorable rates.

"We've got 3,000 airplanes in the backlog, between Boeing and Airbus," said a Bankers Trust analyst, Wolfgang Demisch. "To some extent the market could digest a slowdown in Asia."

Another possibility is that airlines in South Korea and other Asian countries where the currency has taken a severe hit will go on an exporting binge to earn dollars — and that they will thus need 747 freighters to haul cargo.

CURRENCY & INTEREST RATES

Cross Rates

Dec. 19

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.996	3.3315	1.127	0.3366	0.1149*	—	5.462*	1.3952	1.5582*	1.3955	1.3315*
Brussels	36.4625	61.08	20.636	6.1451	2.1034*	18.31	—	25.50	[illegible]	25.56	24.27*
Frankfurt	1.768	2.9597	—	0.2986	0.1009*	0.8873	4.8462*	1.235	1.3775*	1.2392	1.1803*
London (a)	1.6686	—	2.9513	9.8887	2,887.19	3.3326	60.9105	2.3845	215.39	2.3807	250.366
Madrid	150.12	250.37	84.646	25.270	8.627*	75.187	4.1022	104.613	116.767*	105.30	—
Milan	1,735.15	2,985.00	981.15	293.80	—	870.60	47.517	1,211.85	13.43	1,217.80	11.60
New York (b)	—	1.6705a	1.7754	5.9485	1,743.80	2.0015	36.60	1.426	129.28	1.431	150.025
Paris	5.9387	9.9045	3.3486	—	0.3403*	2.9713	0.1623	4.1385	4.6194*	4.1617	3.9555*
Tokyo	129.45	205.47	72.87	21.77	0.743	64.66	3.5321	90.08	—	90.84	0.8614
Toronto	1.4314	2.3911	0.8055	0.2406	0.0822*	0.7151	0.3911*	0.9971	1.1066*	—	0.952*
Zurich	1.427	2.3833	0.807	0.2493	0.0823*	0.7291	3.9093*	—	1.1055*	0.9958	0.9534*
1 ECU	1.1141	0.668	1.9758	6.6162	1,938.55	2.2267	40.7687	1.5987	143.226	1.5090	167.256
1 SDR	1.3587	0.8118	2.4021	8.069	2,362.04	2.7119	49.5669	1.9449	175.266	1.9395	203.974

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4 P.M.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	279.16	Mex. peso	8.083	S. Afr. rand	4.8604
Australian $	1.5349	Hong Kong $	7.7495	N. Zealand $	1.7212	S. Kor. won	1610.0
Austrian sch.	12.475	Hung. forint	201.56	Norw. krone	7.2387	Swed. krona	7.7619
Brazil real	1.1129	Indian rupee	39.18	Phil. peso	39.50	Taiwan $	32.31
Chinese yuan	8.31	Indo. rupiah	5170.0	Polish zloty	3.50	Thai baht	44.15
Czech koruna	34.24	Irish £	0.6886	Port. escudo	181.26	Turkish lira	200550
Danish krone	6.7572	Israeli shek.	3.5347	Russ ruble	5943.0	UAE dirham	3.671
Egypt. pound	3.4033	Kuw dinar	0.3043	Saudi riyal	3.7505	Venez. boliv.	502.25
Fin. markka	5.3539	Malay. ring.	3.827	Sing. $	1.6692		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6660	1.6637	1.6613	Japanese yen	128.21	127.51	126.94
Canadian dollar	1.4348	1.4338	1.4327	Swiss franc	1.4350	1.4345	1.4340
Deutsche mark	1.7703	1.7672	1.7644				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 19

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 7/8 - 5 15/16	3 5/8 - 3 11/16	1 5/16 - 1 7/16	7 5/16 - 7 7/16	3 5/8 - 3 3/4	7/8 - 1 1/8	4 1/8 - 4 1/4
3-month	5 3/4 - 5 7/8	3 5/8 - 3 3/4	1 3/8 - 1 1/2	7 7/16 - 7 9/16	3 1/2 - 3 11/16	7/8 - 1	4 5/16 - 4 7/16
6-month	5 3/4 - 5 7/8	3 11/16 - 3 13/16	1 1/2 - 1 5/8	7 5/8 - 7 3/4	3 11/16 - 3 13/16	7/8 - 1	4 3/8 - 4 1/2
1-year	5 7/8 - 6	3 7/8 - 4	1 5/8 - 1 3/4	7 11/16 - 7 3/4	3 13/16 - 3 15/16	3/4 - 7/8	4 7/16 - 4 9/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev	Britain	Close	Prev
Discount rate	5.00	5.00	Bank base rate	7 1/4	7 1/4
Prime rate	8 1/2	8 1/2	Call money	7 1/4	7 5/16
Federal funds	5 9/16	5 9/16	1-month interbank	7 5/16	7 5/16
90-day CDs dealers	5.79	5.82	3-month interbank	7 1/2	7 1/2
180-day CP dealers	5.58	5.58	6-month interbank	7 11/16	7 11/16
3-month Treasury bill	5.24	5.10	10-year Gilt	6.25	6.29
1-year Treasury bill	5.20	5.20	**France**		
2-year Treasury bill	5.64	5.66	Intervention rate	3.30	3.30
5-year Treasury note	5.69	5.72	Call money	3 5/8	3 5/8
7-year Treasury note	5.70	5.73	1-month interbank	3 1/2	3 1/2
10-year Treasury note	5.72	5.75	3-month interbank	3 9/16	3 1/2
30-year Treasury bond	5.91	5.93	6-month interbank	3 11/16	3 13/16
Merrill Lynch 30-day RA	5.12	5.12	10-year OAT	5.24	5.31
Japan					
Discount rate	0.50	0.50			
Call money	0.37	0.42			
1-month interbank	1.03	1.00			
3-month interbank	1.00	1.00			
6-month interbank	1.00	0.92			
10-year Govt bond	1.92	1.91			
Germany					
Lombard rate	4.50	4.50			
Call money	3.38	3.37			
1-month interbank	3.73	3.75			
3-month interbank	3.74	3.76			
6-month interbank	3.83	3.86			
10-year Bond	5.25	5.27			

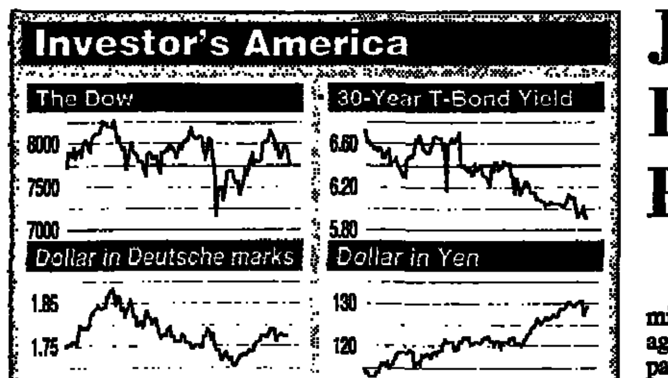
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	288.50	288.25	-1.40
London	289.25	288.90	-1.10
New York	289.00	289.50	+2.30

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

Investor's America



Exchange	Index	Friday @ 4 P.M.	Prev. Close	% Change
U.S.	The Dow	7756.29	7846.50	-1.15
U.S.	S&P 500	946.78	955.30	-0.89
U.S.	S&P 100	450.51	454.52	-0.88
U.S.	NYSE Composite	497.39	501.69	-0.86
U.S.	Nasdaq Composite	1524.74	1523.19	+0.10
U.S.	AMEX Composite	660.69	664.87	-0.63
Toronto	TSE Index	6535.30	[illegible]	[illegible]
São Paulo	Bovespa	9138.01	[illegible]	-3.30
Mexico City	Bolsa	4946.41	[illegible]	[illegible]
Buenos Aires	Merval	[illegible]	[illegible]	[illegible]
Santiago	IPSA General	4702.03	[illegible]	[illegible]
Caracas	Capital General	[illegible]	[illegible]	[illegible]

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

• **Nike Inc.** shares dropped on news that fiscal second-quarter earnings had fallen a surprising 20 percent, to $141 million, amid slowing demand for its athletic shoes in Asia and the United States. Nike's chairman, Philip Knight, blamed much of the company's problems on poor sales in Asia.

• **General Electric Co.** raised its stock buyback program by $4 billion, to $17 billion, and raised its dividend 15 percent.

• **WHX Corp.** authorized the repurchase of 2 million shares, or 10 percent of its common shares outstanding, after completing an earlier plan to buy back 10 percent of its shares.

• **ConAgra Inc.**'s fiscal second-quarter earnings rose 12 percent from a year earlier to $210.6 million, or 46 cents a share. Revenue fell 2.4 percent to $6.43 billion.

• **Coca-Cola Co.** expects fourth-quarter case sales of its beverages to rise up to 8 percent worldwide, spurred by better-than-expected results in Latin America, Asia and Europe.

• **Cia. de Telecomunicaciones de Chile SA** has agreed to pay $477 million to buy the mobile phone and long-distance services of VTR SA.

• **Harrah's Entertainment Inc.** agreed to acquire Showboat Inc. in a transaction valued at $1.2 billion, or $30.75 a share, creating the world's largest gambling company. *Bloomberg*

Mexico Oil Firm to Lift Production

Bloomberg News

MEXICO CITY — Petroleos Mexicanos said Friday it planned to invest 55 billion pesos ($6.8 billion) in the next three years to modernize and expand its refineries.

The goals are part of the state-owned company's plan, announced this month, to invest $25 billion through 2000 to increase oil, natural gas and fuel production. Pemex is the world's fifth-largest oil producer.

Japan's Woes Help Dollar Post Gains

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was mixed on Friday, remaining firm against the yen despite Bank of Japan intervention but changing little against other major European currencies.

The yen slumped after a leading Japanese food company went bankrupt, heightening speculation that a government plan to salvage Japan's economy will fall short.

News of the failure of Toshoku Ltd. fueled concern that more Japanese businesses may go under,

FOREIGN EXCHANGE

which sent Tokyo stocks into a tailspin, taking the yen down with them. But the dollar was held back from further gains by reports that the Bank of Japan sold dollars for the third day to shore up the yen.

Japanese finance officials also pledged Friday to take "resolute" action to avert the yen's sharp declines, but traders were betting the currency would be affected by a deepening crisis in South Korea, where Japan is a major creditor.

"The Japanese have a lot of problems that are just starting to come to a head," said Robert Fullem, head of currency sales at National Westminster Bank. "There will be more bankruptcies ahead. That's good for the buck and not good for yen."

The dollar rose to 129.280 yen at 4:00 P.M. from 128.66 yen on Thursday.

The U.S. currency slumped against the Deutsche mark as the Dow Jones industrial average fell sharply. But as the Dow pared losses, so did the dollar.

"The dollar is trading with stocks today," said Bill Bertha, manager of foreign exchange at Mellon Bank in Pittsburgh.

The dollar was at 1.7754 Deutsche marks, up from 1.7745 DM. It was also at 1.4350 Swiss francs, down from 1.4375, and at 5.9485 French francs, up from 5.9465.

The pound climbed to $1.6705 from $1.6655.

The Canadian dollar slumped to a 12-year low after the Bank of Canada confounded expectations and kept interest rates steady in order to bolster the country's weakening currency.

The U.S. currency rose to 1.4322 Canadian dollars from 1.4265. The Bank of Canada was able to prevent more losses by buying it.

(Bloomberg, AFP)

U.S. Hires Super-Litigator in Microsoft Case

By David Segal
Washington Post Service

WASHINGTON — Despite a staff of 340 antitrust lawyers, the Justice Department has hired a super-litigator from New York in a high-profile bid to win its antitrust case against Microsoft Corp.

By tapping David Boies, the government has brought on board one of the most accomplished and dogged trial lawyers in the United States.

Joel Klein, the head of the Justice Department's antitrust division, confirmed Thursday that Mr. Boies was on the government's payroll and would work on the Microsoft case, but he would not comment further.

Reached Thursday at Cravath, Swaine & Moore, the blue-chip New York firm where he was a partner until starting his own firm in September, Mr. Boies said he had been working for Justice for about a week and a half. He said it was too early to determine what his role would be, adding that he would charge the government about half his usual rate of $550 an hour.

"I'm really just beginning to get into the case," he said. "I'll be involved in analyzing issues and helping Justice determine what is the appropriate thing to do."

It is unusual for the Justice Department, sometimes called the world's biggest law firm, to seek outside assistance for a case. But the department has what many have called an abysmal record in civil cases and will occasionally hire a lawyer in private practice to add expertise to its team.

In the Microsoft case, one former Justice official said, Mr. Klein concluded that he needed all the help he could get for a brawl that would put the department's reputation on the line.

"This is Armageddon," said Charles James, who served as assistant attorney general in the antitrust division during the Bush administration.

Microsoft had no comment on the Boies appointment.

Mr. Boies, 56, has a photographic memory and a long winning streak in high-profile and protracted lawsuits. He successfully defended Westinghouse Electric Corp. after it was accused by the Philippine government of using bribes to win a contract for a nuclear power plant.

He also helped CBS Corp. prevail against a libel suit filed by General William Westmoreland.

This is not the first time that Mr. Boies has worked for the government. He and other lawyers at Cravath were retained by the Federal Deposit Insurance Corp. and the Resolution Trust Corp. to work on the agency's case against Michael Milken, the junk-bond king, and his employer, Drexel Burnham Lambert Inc. Cravath helped win a $1 billion settlement in that case.

Mr. Boies's most pertinent past experience includes his years representing International Business Machines Corp. in its epic antitrust litigation with the U.S. government. In a case reminiscent of the department's current battle with Microsoft, the government accused the computer maker of stifling competition through illegal trade practices.

That case, which was initially brought in 1969, ended when a judge dismissed it in 1981.

"It's useful to have the perspective of working on the plaintiff's side in a case like this, but I think the parallels between the two cases aren't that great," Mr. Boies said. "For starters, Microsoft has a far larger percent of the market than IBM ever had."

AT&T Ends Push to Sell Residential Service

By Mike Mills
Washington Post Service

WASHINGTON — AT&T Corp. has halted all spending on efforts to sell residential phone service, according to company sources, who said recent court rulings had made it impossible for the long-distance giant to make a profit on such services.

The decision, which was communicated last week to AT&T's local-services unit, provides more evidence that local telephone competition is failing to take off — at least in the residential market — as lawmakers had envisioned when they passed an overhaul of the U.S. phone regulations in 1996.

Local and long-distance carriers have been fighting in court over how much of a discount local phone companies such as the regional Bells and GTE Corp. should be forced to give new competitors, such as AT&T, that want to lease local phone wires and switches and resell calling capacity under their own brand names rather than building their own facilities.

In the weeks after important court rulings in July and October that struck down favorable pricing rules for the regional phone companies' competitors, analysts noticed that AT&T had all but stopped its residential marketing programs.

"The courts better figure out how to define an economically viable way to provide local service or nobody's going to invest in it," said a high-level AT&T official, who requested anonymity.

The 1996 telecommunications law envisioned residential phone competition initially through a "resale" approach, by which companies such as AT&T would market local service under their brand names while leasing local wires and switches at a negotiated discount from regional Bell companies and other local carriers. But AT&T cannot make a profit on the discounts — in the 20 percent range — that it was able to negotiate, according to the company sources.

MARKETS: *Worldwide Repercussions From Failure of Big Japanese Firm*

Continued from Page 1

With such tight credit, there were fears that Japan could suffer outright deflation, a crippling condition for stocks and commodities. If traders are forced to sell grain at bargain prices, for example, the entire agricultural sector would come under pressure as commodity prices fell.

Asian woes weighed on other markets. In Russia, notably, the major stock indexes fell around 5 percent, following a warning from Standard & Poor's Corp. that the country's currency rating might be lowered. S&P confirmed its BB-minus long-term currency rating, but changed the outlook to negative from stable, saying Russia was subject to heightened "vulnerability to changes in investor confidence in the deteriorating global capital markets."

On Wall Street, the worries about deflation translated to earnings concerns.

"I think it is discouragement as to the stabilization in Korea and Japan," said Richard Hoey, chief economist at Dreyfus Corp. "You have had two hopes, one that the Japanese economic package, including the tax cut, would tend to stabilize the market — and of course it was off quite sharply last night. "Second of all is the stabilization in the Korean markets really stalled out with the election in Korea."

There have been worries that the election this week of Kim Dae Jung, the first president from an opposition party since the nation's founding in 1948, would lead to political changes and possibly instability.

Mr. Hoey said U.S. investors were worried that the Asian weakness would lead to "profit devaluation" for American companies.

Downward pressure on interest rates was evident on Wall Street, where the yield on the 30-year Treasury bond fell to 5.91 percent, from 5.96 percent Thursday.

Yet for most American companies, notably in the technical sector, Mr. Hoey said, worries that profits will not be able to expand at the rapid pace of recent years are keeping stock prices under pressure.

Jean-Marie Eveillard, president of Sogen International Fund, said he thought stocks in the United States and Europe were likely to remain under pressure, and that after the drastic declines of equities in Asia, better buys might be available for bottom-fishers.

"What strikes me," he said, is that on the one hand you have the stock market at large in the United States and the big stocks in Europe, which can be characterized as expensive and high, and you have the distressed area of Asia."

■ Broader U.S. Indexes Slip

On Wall Street, broader market indexes were mixed Friday, with technology stocks rising above the turmoil in Asia, news agencies reported from New York.

The Standard & Poor's 500-stock index fell 8.52 points to close at 946.78. The technology-heavy Nasdaq composite index gained 1.55 points to close at 1,524.74.

Declining issues outnumbered advancers by a 5-to-2 ratio on the New York Stock Exchange in heavy trading, exacerbated by the quarterly expiration of stock-index futures, options on those futures and common-stock options. So-called triple witching days often are marked by volatile trading as investors close out their positions.

(AP, Bloomberg)

AMEX

Friday's 4 P.M. Close
The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7803.87	7846.42	7576.93	7756.29	-90.21
Trans	3139.62	3173.77	3074.85	3143.24	-30.53
Util	263.58	265.22	261.33	264.75	-0.44
Comp	2545.51	2563.79	2486.85	2539.92	-22.88

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1115.43	1097.42	1102.88	1092.52
Transp.	692.19	676.75	678.11	671.39
Utilities	226.52	224.75	226.44	227.05
Finance	119.17	117.36	118.00	116.43
SP 500	965.54	950.55	955.30	946.76
SP 100	460.50	451.98	454.52	450.51

NYSE

	High	Low	Last	Chg.
Composite	501.49	487.39	497.39	-4.30
Industrials	617.80	598.95	612.43	-5.37
Transp.	453.55	440.76	449.16	-4.39
Utility	327.48	328.25	326.72	-0.76
Finance	490.51	478.05	484.96	-5.55

Nasdaq

	High	Low	Last	Chg.
Composite	1525.64	1486.51	1524.61	+1.42
Industrials	1176.30	1147.33	1175.39	+2.28
Banks	2031.10	2008.31	2029.25	-4.11
Insurance	1760.22	1742.56	1758.67	-13.85
Finance	2433.20	2403.72	2431.07	-8.33
Transp.	1021.90	999.93	1019.71	+3.81

AMEX

High	Low	Last	Chg.
664.87	651.86	660.69	-4.18

Dow Jones Bond

	Close	Chg.
20 Bonds	105.00	+0.09
10 Utilities	102.52	+0.10
10 Industrials	107.47	+0.08

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	120323	54¾	51¾	53⅞	-½
AT&T	87321	61⅞	58½	61¼	+2⅜
GenElec s	81497	74	70¾	73⅛	-⅞
NikeB	78999	40⅝	37¼	40⅛	+1⅛
CocaCl	74801	65⅞	62¾	65⅞	+1⅛
MicrnT	74892	27	23⅞	26¼	+2⅜
PhilMor s	70835	45⅛	44⅛	44⅝	-⅛
IBM s	64746	102⅝	97	102	+2
FstData	62935	26⅛	25	25⅝	-⅛
Textnst s	59405	46	42⅛	45⅜	+2¼
Exxon s	57333	61⅛	59¼	60¼	-1⅞
Unisys	56435	12¼	11½	12⅜	—
Motorola	55831	58⅝	55¾	58¼	+2⅝
Iomega	55102	25⅞	22⅞	25⅞	+1⅞
Travelrs s	53764	53⅝	51	52	-2⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	269896	70⅝	67⅞	70	+⅝
DellCpt s	226765	79⅛	75⅜	78⅝	-2⅛
Oracle s	175817	22⅝	21	21⅛	-⅛
3Com	170748	33⅛	31⅝	32⅛	-⅛
Microsft	169745	130⅝	126¼	128⅞	-2⅛
Cisco s	168126	54	50⅞	53⅞	-⅛
ApldMat s	130073	30	27¼	30	+1⅞
SunMic	104977	38⅛	36⅛	38⅝	+1⅞
Ascend	84779	27⅛	23⅞	27⅛	+3⅛
WorldCm	62366	33⅛	32⅛	33⅛	+⅞
TeleComA	57786	28¼	27	28⅛	+⅞
Danka	55389	16½	15⅞	16⅛	+⅞
TelSave	55142	21⅛	17¼	21	+3⅛
DpoTch	50584	6⅛	3⅛	4⅛	-⅞
Xilinx	43605	36½	32⅞	36½	+2⅝

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	83542	95⅞	92⅞	94⅞	-⅞
Nabors	39842	29⅛	26	28⅛	-1⅞
BigCRad n	15719	7⅛	7	7⅛	—
GreyWolf	13341	5⅛	5	5⅛	-⅛
ViacB	13147	37⅞	35⅞	37⅞	-⅞
EchoBay	12623	2⅞	2⅛	2⅞	-⅛
TWA	9957	10⅞	10	10⅛	-⅛
Organgn s	8932	28⅛	27½	27½	-1⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	7982	1⅞	1⅛	1⅞	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1004	1066
Declined	1994	1917
Unchanged	458	494
Total issues	3456	3477
New Highs	115	133
New Lows	135	74

Nasdaq

	Close	Prev.
Advanced	959	1466
Declined	2992	2794
Unchanged	1708	1580
Total issues	5659	5840
New Highs	32	119
New Lows	244	204

AMEX

	Close	Prev.
Advanced	207	227
Declined	361	345
Unchanged	174	192
Total issues	742	764
New Highs	14	16
New Lows	29	26

Market Sales

	Today 4 P.M.	Prev. cons.
NYSE	787.53	722.42
Amex	35.50	41.29
Nasdaq	747.91	740.42

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Alexandria Rl Est	-	.40	1-9	1-16
STOCK SPLIT				
CVB Fincl 3 for 2 split.				
Chancellor Media 2 for 1 split.				
Freeport McM Resour 1-10th of a share of Freeport McMoran Sulphur for each share.				
Prime Bancorp 3 for 2 split.				
Strattn SmCp Yld 2 for 1 split.				
STOCK				
CCF Holding	-	10%	1-2	1-15
Fidelity Ntl Fin	-	10%	12-29	1-14
Fst Bncp Vincennes	-	5%	1-9	1-23
REVERSE STOCK SPLIT				
Gen Environmental 1 for 3 reverse split.				
XCL Ltd 1 for 15 reverse split.				
INCREASED				
Acadiana Bncshrs	Q	.11	12-31	1-15
BCB Fincl	Q	.08	1-2	1-20
Bay View Cap	Q	.10	12-31	1-15
CCF Holding	Q	.30	1-1	1-15
Fst Colorado	Q	.13	12-31	1-20
LaSalle Re	Q	.75	1-2	1-16
SPECIAL				
CIM Hi Yld Secur	-	.0825	12-29	1-9
Fst Mutl Svgs	-	.35	1-14	2-4
INITIAL				
Aegis Rlty	-	.24	12-31	1-22
Analysts Intl n	-	.08	1-30	2-13
CPB Inc n	-	.13	12-31	1-23
CVB Fin n	-	.10	1-26	2-9
Charter Muni	-	.23	12-31	2-14
Haven Bncp n	-	.075	12-29	1-16
Peoples Bn Aub	-	.11	1-2	1-22
YEAREND				
Castle Cv Fd	-	2.80	12-24	12-26
Czech Republic	-	.1368	12-30	1-9
Fidel Emrg Asia	-	.29	12-29	1-15
ScuddrGlbHi Inco	-	.375	12-31	1-13
Stheastrn Thrift	-	.1475	12-23	12-30
Taiwan Fund	-	4.60	12-30	1-15
REGULAR				
Commonwlth En	Q	.395	1-14	2-1
Essex Prop	Q	.45	12-31	1-15
Liberty Prop	Q	.42	1-1	1-15
Ntl Bncp Alaska	Q	.50	1-2	1-9
Sovran Self	Q	.54	1-6	1-22
Transamer Corp	Q	.50	12-31	1-30

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Dec. 19, 1997

	High	Low	Latest	Chge	OpInt
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 98	268	262½	266	-1¼	174,381
May 98	275	270¼	273¾	-¾	47,403
Jul 98	281	275¾	279½	-¾	57,462
Sep 98	278½	275	277¾	-¾	6,121
Dec 98	280½	276½	279¼	-¾	34,272
Jul 99	293	289½	293	-½	326
Dec 99	273	271	273	-2	666
Est. sales 90,000 Thu's sales 86,972					
Thu's open int 322,961, up 612					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 97	211.50	207.00	207.00	-4.90	1,707
Jan 98	207.00	204.00	206.20	+0.20	26,266
Mar 98	205.20	202.00	204.00	-0.40	34,728
May 98	204.00	201.70	203.70	+0.10	22,574
Jul 98	205.50	203.20	205.10	-0.30	14,093
Aug 98	205.50	203.00	205.00	-0.70	4,844
Est. sales N.A. Thu's sales 34,708					
Thu's open int 113,881, off 2,079					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Dec 97	24.82	24.52	24.80	+0.14	141
Jan 98	25.02	24.62	25.01	+0.17	28,576
Mar 98	25.43	25.01	25.42	+0.14	42,169
May 98	25.60	25.22	25.60	+0.11	15,288
Jul 98	25.75	25.35	25.71	+0.10	12,612
Aug 98	25.60	25.35	25.60	+0.07	3,536
Est. sales N.A. Thu's sales 2,028,332					
Thu's open int 105,138, off 2,138					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jan 98	683	673	682	+4½	46,996
Mar 98	685½	675½	684	+3¾	41,894
May 98	690	681½	689	+3½	25,109
Jul 98	694½	685½	693½	+3	25,889
Aug 98	693	686	692½	+3½	3,947
Est. sales N.A. Thu's sales 72,060					
Thu's open int 154,351, off 341					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	322½	320	321½	+1¼	21
Mar 98	336	331	333¼	-½	55,560
May 98	344	338½	341¼	-¼	12,274
Jul 98	348¼	343½	347¼	-½	19,168
Est. sales 25,000 Thu's sales 27,302					
Thu's open int 90,533, up 2,269					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 97	66.75	66.17	66.57	-0.42	3,328
Feb 98	66.20	65.17	65.75	-0.25	47,465
Apr 98	69.07	68.20	68.80	-0.27	25,520
Jun 98	68.42	67.70	68.35	-0.27	15,842
Aug 98	69.57	68.80	69.37	-0.20	6,399
Oct 98	72.10	71.72	72.05	+0.02	1,488
Est. sales 17,748 Thu's sales 15,373					
Thu's open int 100,514, off 496					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 98	77.60	76.20	77.17	-0.12	6,867
Mar 98	77.80	76.30	77.42	-0.17	4,464
Apr 98	78.10	76.85	77.75	-0.27	1,836
May 98	78.95	78.00	78.95	-0.07	1,528
Aug 98	80.90	79.85	80.90	+0.10	812
Sep 98	81.00	80.00	80.75	-0.15	197
Est. sales 4,761 Thu's sales 2,296					
Thu's open int 16,114, off 155					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 98	59.52	58.92	59.47	-0.15	21,249
Apr 98	57.65	56.82	57.55	+0.47	8,313
Jun 98	65.45	64.50	65.40	+0.77	5,231
Jul 98	64.20	63.60	64.12	+0.40	1,473
Aug 98	61.97	61.50	61.97	+0.35	263
Est. sales 6,725 Thu's sales 4,132					
Thu's open int 37,287, off 30					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	55.05	54.10	54.72	-0.85	6,099
Mar 98	54.50	53.80	54.17	-0.62	1,318
May 98	55.60	54.85	55.35	-0.62	1,034
Est. sales 2,439 Thu's sales 1,361					
Thu's open int 9,117, up 121					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 98	1718	1682	1685	-10	43,644
May 98	1745	1712	1717	-7	20,402
Jul 98	1752	1739	1739	-5	4,757
Sep 98	1765	1760	1761	-2	5,857
Dec 98	1797	1788	1789	+5	9,072
Mar 99	1815	1803	1815	+11	9,894
Est. sales 6,644 Thu's sales 3,761					
Thu's open int 96,497, off 1,947					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 98	166.00	157.75	158.65	-6.40	17,789
May 98	161.25	153.50	154.00	-6.80	5,675
Jul 98	156.50	148.25	148.50	-6.50	2,828
Sep 98	145.00	142.50	142.50	-4.00	1,276
Dec 98	140.00	138.00	138.00	-6.00	1,216
Est. sales 13,444 Thu's sales 5,641					
Thu's open int 29,008, off 492					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	12.35	12.26	12.29	-0.02	97,984
May 98	12.12	12.05	12.05	-0.04	33,885
Jul 98	11.68	11.62	11.64	-0.04	30,401
Oct 98	11.58	11.52	11.54	-0.07	26,314
Est. sales 19,750 Thu's sales 32,564					
Thu's open int 198,244, up 964					

	High	Low	Latest	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 98	88.00	85.50	86.70	-0.30	14,428
Mar 98	91.50	89.10	90.25	unch.	28,993
May 98	94.25	92.65	93.70	+0.15	4,646
Jul 98	96.90	96.25	96.90	+0.10	3,502
Est. sales N.A. Thu's sales 4,219					
Thu's open int 47,344, off 216					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Dec 97	289.50	288.00	289.50	+2.30	154
Jan 98	293.30	290.00	290.00	+2.10	2
Feb 98	291.60	288.00	291.10	+1.90	96,944
Apr 98	293.30	290.00	292.80	+1.90	12,479
Jun 98	295.50	293.20	294.80	+1.90	11,352
Aug 98	297.00	296.00	296.80	+1.90	5,268
Oct 98	298.80	297.30	298.80	+1.80	2,444
Dec 98	301.00	299.50	300.90	+1.80	13,819
Feb 99			303.00	+1.80	3,928
Est. sales 20,000 Thu's sales 44,043					
Thu's open int 183,753, off 2,266					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Dec 97	79.60	78.80	79.50	-0.25	962
Jan 98	79.90	79.30	79.90	-0.20	3,440
Feb 98	80.40	79.80	80.45	-0.20	2,120
Mar 98	81.20	80.10	81.00	-0.20	35,085
Apr 98	81.60	81.00	81.50	-0.30	1,521
May 98	81.95	81.35	81.95	-0.10	4,985
Jun 98	82.25	81.90	82.25	-0.10	1,612
Jul 98	82.80	82.45	82.80	-0.05	3,704
Aug 98	83.10	82.90	83.10	unch.	1,235
Est. sales 7,000 Thu's sales 5,750					
Thu's open int 68,658, off 113					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Dec 97	604.00	597.00	601.00	-1.80	462
Jan 98	603.30	536.00	603.30	-1.80	28
Feb 98	606.50	605.30	605.30	-1.80	
Mar 98	612.00	600.00	605.50	-1.80	66,890
May 98	611.00	599.50	605.50	-1.80	6,936
Jul 98	608.00	602.00	605.50	-1.90	7,383
Sep 98	605.50	601.00	605.50	-1.60	1,132
Dec 98	609.00	599.50	604.20	-2.20	4,680
Est. sales 13,000 Thu's sales 17,365					
Thu's open int 94,973, up 990					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 98	357.00	352.00	355.00	-1.70	7,273
Apr 98	355.00	351.50	353.20	-1.70	6,391
Jul 98	356.00	352.00	352.00	-1.90	274
Oct 98			352.00	-1.90	4
Est. sales N.A. Thu's sales 3,327.					
Thu's open int 13,991, off 490					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1514.00	1515.00	1516.00	1517.00
Forward	1540.00	1541.00	1542.00	1543.00
Copper Cathodes (High Grade)				
Spot	1746.00	1747.00	1751.00	1752.00
Forward	1776.00	1777.00	1781.00	1782.00
Lead				
Spot	542½	543½	542½	543½
Forward	552.00	553.00	552.00	553.00
Nickel				
Spot	5875.00	5885.00	5890.00	5900.00
Forward	5970.00	5975.00	5985.00	5990.00
Tin				
Spot	5350.00	5360.00	5415.00	5425.00
Forward	5305.00	5310.00	5355.00	5360.00
Zinc (Special High Grade)				
Spot	1119.80	1120.80	1124½	1125½
Forward	1142.00	1143.00	1148.00	1149.00

	High	Low	Close	Chge	OpInt
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Mar 98	95.12	94.98	94.99	-0.06	7,385
Jun 98	95.09	94.99	94.99	-0.05	1,161
Sep 98			94.98	-0.05	29
Dec 98			95.02	unch.	
Est. sales 2,012 Thu's sales 718					
Thu's open int 8,575, off 2,889					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	108-61	108-44	108-47	+ 11	13,039
Est. sales N.A. Thu's sales 58,327					
Thu's open int 260,342, off 2,820					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	112-28	112-14	112-15	+ 05	6,366
Mar 98	112-22	112-03	112-14	+ 11	356,077
Jun 98	112-16	112-06	112-13	+ 11	2,094
Est. sales N.A. Thu's sales 58,435					
Thu's open int 364,537, off 5,656					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	121-14	120-16	120-31	+ 16	47,765
Mar 98	121-10	120-10	120-25	+ 14	690,780
Jun 98	120-30	120-08	120-15	+ 14	28,337
Est. sales N.A. Thu's sales 293,956					
Thu's open int 776,560, up 4,726					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	121-06	120-29	121-04	+0-12	12,988
Mar 98	121-25	121-12	121-21	+0-12	175,305
Est. sales: 46,253. Prev. sales: 26,702					
Prev. open int.: 189,397 up 4,739					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar 98	105.05	104.80	105.00	+0.28	235,787
Jun 98	N.T.	N.T.	104.41	+0.27	1,096
Est. sales: 85,493. Prev. sales: 90,425					
Prev. open int.: 236,883 up 1,729					

	High	Low	Latest	Chge	OpInt
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 98	101.66	101.44	101.56	+ 0.24	137,070
Jun 98	100.90	100.90	100.96	+ 0.24	125
Est. sales: 84,336.					
Open int.: 137,195 up 8,144.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar 98	116.17	115.86	116.17	+0.42	116,812
Jun 98	115.46	115.21	115.57	+0.38	53
Est. sales: 26,600. Prev. sales: 29,097					
Prev. open int.: 116,865 up 1,400					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Jan 98	94.32	94.30	94.30	unch.	22,099
Feb 98	94.30	94.28	94.28	unch.	13,617
Mar 98	94.27	94.24	94.24	unch.	2,794
Est. sales 5,080 Thu's sales 3,356					
Thu's open int 40,506, off 1,390					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 98	94.24	94.20	94.21	+0.02	6,042
Mar 98	94.25	94.18	94.20	+0.02	493,052
Jun 98	94.25	94.17	94.20	+0.04	381,133
Sep 98	94.21	94.13	94.17	+0.04	261,817
Dec 98	94.13	94.06	94.09	+0.03	219,350
Mar 99	94.14	94.06	94.09	+0.03	160,221
Jun 99	94.11	94.04	94.06	+0.03	137,122
Sep 99	94.07	94.02	94.03	+0.03	100,012
Dec 99	94.02	93.97	93.98	+0.03	103,333
Mar 00	94.04	93.99	94.00	+0.03	73,924
Jun 00	94.02	93.97	93.98	+0.03	62,257
Sep 00	94.01	93.95	93.96	+0.03	54,053
Est. sales 436,833 Thu's sales 257,780					
Thu's open int 2,475,427, up 5,160					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 98	1.6690	1.6556	1.6634	+0.0060	30,129
Jun 98	1.6600	1.6540	1.6564	+0.0060	1,316
Sep 98			1.6494	+0.0058	4
Est. sales 8,227 Thu's sales 12,955					
Thu's open int 31,449, off 321					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 98	.7037	.6988	.7000	-0.0031	55,806
Jun 98	.7038	.6990	.7011	-0.0032	3,323
Sep 98	.7019	.7000	.7019	-0.0033	798
Est. sales 12,833 Thu's sales 5,217					
Thu's open int 60,396, off 59					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 98	.5695	.5652	.5665	+0.0004	65,393
Jun 98	.5718	.5693	.5693	+0.0004	4,399
Sep 98			.5718	+0.0004	140
Est. sales 16,864 Thu's sales 11,200					
Thu's open int 69,935, up 245					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 98	.7896	.7800	.7834	-0.0036	88,413
Jun 98	.7961	.7942	.7942	-0.0036	1,464
Sep 98			.8049	-0.0036	1,372
Est. sales 15,968 Thu's sales 27,895					
Thu's open int 91,463, off 424					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 98	.7105	.7018	.7046	+0.0019	37,256
Jun 98	.7162	.7110	.7116	+0.0019	1,462
Sep 98			.7185	+0.0019	110
Est. sales 13,037 Thu's sales 6,224					
Thu's open int 38,833, up 21					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Mar 98	.11950	.11850	.11890	-.00617	14,962
Jun 98	.11545	.11470	.11505	-.00652	3,399
Sep 98	.11190	.11150	.11160	-.00709	4,806
Est. sales 4,021 Thu's sales 3,993					
Thu's open int 25,699, off 623					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar 98	92.45	92.38	92.44	+0.08	140,464
Jun 98	92.55	92.48	92.55	+0.09	108,561
Sep 98	92.72	92.65	92.71	+0.09	84,912
Dec 98	92.92	92.85	92.90	+0.08	77,362
Mar 99	93.14	93.08	93.12	+0.08	65,397
Jun 99	93.30	93.26	93.30	+0.07	62,240
Sep 99	93.43	93.38	93.42	+0.07	43,221
Est. sales: 54,842. Prev. sales: 41,104					
Prev. open int.: 687,801 up 313					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Jan 98	96.35	96.33	96.34	+0.04	18,529
Feb 98	N.T.	N.T.	96.31	+0.06	750
Mar 98	96.26	96.20	96.26	+0.06	382,953
Jun 98	96.13	96.04	96.13	+0.10	323,040
Sep 98	96.00	95.91	96.00	+0.12	238,391
Dec 98	95.79	95.70	95.79	+0.12	210,288
Mar 99	95.59	95.51	95.59	+0.11	239,654
Jun 99	95.41	95.35	95.41	+0.10	114,113
Sep 99	95.26	95.21	95.26	+0.09	88,499
Dec 99	95.14	95.10	95.15	+0.09	70,779
Est. sales: 168,761. Prev. sales: 142,601					
Prev. open int.: 1,804,472 up 13,613					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jan 98	96.34	96.32	96.32	+ 0.02	1,361
Feb 98	0.00	0.00	96.27	+ 0.04	5
Mar 98	96.28	96.23	96.25	+ 0.04	84,657
Jun 98	96.11	96.04	96.10	+ 0.08	39,236
Sep 98	95.96	95.89	95.95	+ 0.08	28,951
Dec 98	95.77	95.73	95.77	+ 0.08	24,742
Est. sales: 48,957.					
Open int.: 260,645 up 2,700.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar 98	94.77	94.70	94.77	+0.09	152,152
Jun 98	95.38	95.32	95.38	+0.09	159,209
Sep 98	95.60	95.54	95.60	+0.09	90,752
Dec 98	95.59	95.54	95.59	+0.09	61,781
Mar 99	95.45	95.40	95.44	+0.07	88,043
Est. sales: 37,994. Prev. sales: 40,564					
Prev. open int.: 550,680 up 4,988					

	High	Low	Latest	Chge	OpInt
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 98	67.40	66.70	67.30	-0.45	43,271
May 98	68.70	68.10	68.68	-0.40	15,042
Jul 98	69.95	69.40	69.81	-0.51	14,966
Oct 98	71.80	71.30	71.80	-0.30	1,370
Dec 98	72.60	72.05	72.51	-0.29	12,874
Est. sales N.A. Thu's sales 9,885					
Thu's open int 88,338, up 26					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jan 98	52.95	51.65	51.96	-0.68	36,369
Feb 98	53.30	52.05	52.37	-0.72	42,133
Mar 98	53.50	52.35	52.57	-0.67	19,471
Apr 98	53.00	52.10	52.22	-0.57	10,680
May 98	52.55	51.70	51.77	-0.47	8,354
Jun 98	51.85	51.50	51.57	-0.42	10,804
Jul 98	52.00	51.70	51.72	-0.42	4,379
Est. sales N.A. Thu's sales 33,377					
Thu's open int 148,906, up 1,417					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jan 98	18.70	18.18	18.29	-0.13	27,091
Feb 98	18.88	18.38	18.54	-0.20	118,330
Mar 98	19.04	18.60	18.72	-0.18	45,212
Apr 98	19.15	18.80	18.86	-0.17	22,480
May 98	19.26	18.92	18.99	-0.16	21,493
Jun 98	19.22	19.02	19.07	-0.14	34,136
Est. sales N.A. Thu's sales 120,284					
Thu's open int 425,842, off 5,914					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jan 98	2.490	2.422	2.472	+0.060	36,762
Feb 98	2.440	2.370	2.430	+0.074	36,853
Mar 98	2.355	2.310	2.350	+0.052	25,031
Apr 98	2.260	2.225	2.250	+0.017	12,751
May 98	2.230	2.200	2.225	+0.017	9,424
Jun 98	2.220	2.195	2.205	unch.	8,996
Est. sales N.A. Thu's sales 70,981					
Thu's open int 215,120, off 1,869					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jan 98	57.70	56.10	56.39	-0.89	21,203
Feb 98	57.70	56.35	56.80	-0.58	31,112
Mar 98	58.10	56.80	57.27	-0.46	12,279
Apr 98	60.20	59.20	59.57	-0.51	12,308
May 98	59.78	59.32	59.32	-0.46	10,098
Jun 98	59.30	58.72	58.72	-0.46	8,359
Jul 98	58.65	58.02	58.02	-0.46	6,734
Aug 98	57.60	57.12	57.12	-0.46	3,352
Est. sales N.A. Thu's sales 48,536					
Thu's open int 109,632, off 1,040					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 98	164.00	160.00	160.50	—1.25	26,222
Feb 98	164.50	161.50	161.50	—1.00	13,405
Mar 98	164.50	162.00	162.00	—0.75	11,961
Apr 98	164.25	162.25	162.25	—0.25	4,730
May 98	164.00	162.75	162.25	—0.75	3,345
Jun 98	164.25	162.50	162.25	—0.50	11,240
Jul 98	165.00	163.50	163.50	—0.50	3,368
Est. sales: 8,250. Prev. sales : 10,222					
Prev. open int.: 87,472 off 1,615					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Feb 98	18.01	17.44	17.53	—0.27	79,528
Mar 98	18.03	17.53	17.66	—0.20	36,635
Apr 98	18.07	17.59	17.68	—0.17	14,859
May 98	18.00	17.73	17.73	—0.16	12,112
Jun 98	18.10	17.72	17.77	—0.16	18,432
Jul 98	17.78	17.74	17.81	—0.15	6,168
Est. sales: 35,799. Prev. sales : 31,407					
Prev. open int.: 182,448 up 1,685					
Stock Indexes					
SP COMP INDEX (CMER) 250 x index					
Mar 98	966.90	934.90	957.50	-7.40	351,225
Jun 98	970.00	945.00	967.50	-7.50	8,469
Sep 98			984.90	unch.	2,443
Est. sales N.A. Thu's sales 186,404					
Thu's open int 468,464, up 5,329					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	5100.0	5070.0	5078.5	— 139.	15,922
Mar 98	5135.0	5115.0	5098.0	— 191.	58,474
Est. sales: 16,373. Prev. sales: 30,398					
Prev. open int.: 71,397 up 752					
CAC 40 (MATIF) FF200 per index point					
Dec 97	2859.0	2820.0	2831.0	— 48.0	35,781
Jan 98	2860.0	2832.5	2837.5	— 48.5	14,537
Feb 98	2864.0	2844.0	2847.0	— 48.0	1,800
Mar 98	2879.0	2849.0	2854.0	— 48.5	15,084
Est. sales: 38,147.					
Open int.: 85,811 up 982.					

Commodity Indexes

	Close	Previous
Moody's	1,466.20	1,468.50
Reuters	1,760.30	1,756.50
D.J. Futures	141.94	142.70
CRB	233.39	234.21

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Korea Tre

Societe Generale
Banking Unit of

WORLD STOCK MARKETS
Friday, Dec. 19

هكذا من الأصل

EUROPE

As Korea Trembles, Britain Quickly Feels the Aftershocks

By John Burgess
Washington Post Service

LONDON — The word is out among the people of Dunfermline, a Scottish town known for palace ruins and unemployment: Don't count on getting a job at the computer chip plant the Koreans are building on the edge of town. The place is likely to open a year late, if at all.

To the south, in the Welsh community of Newport, people consider themselves luckier — part of their slice of the Korean industrial boom, a factory making TV tubes and computer monitors, began production a few weeks ago. They are crossing their fingers it will keep going.

Events like these make it clear why financial leaders are desperate to quell the crisis of confidence that is rattling South Korea. In today's global economy, implosion in one place can cause pain in countries all over the world, putting people out of work, deferring dreams of prosperity.

All over Britain, Korean companies and their British employees are feeling pain, or worrying about it. Pressure had been building even before Korea emerged as a crisis center, as industrial giants there grew shaky, especially in electronics, where the world has an oversupply of plant capacity.

Now Samsung Electronics Co. has postponed plans to build a factory for computer chips and computers in northeastern England. It would have been worth at least $760 million. It is also shutting down an earthmoving-equipment plant, with the loss of about 100 jobs, according to press reports here.

In London's financial district, Korean securities firms have suffered a decline in orders for stocks from their country. Earlier this month, the London office of Dongsuh Securities, Korea's fourth-largest brokerage house, got the news that the firm was suspending operations for a month due to financial troubles. An official at the London office declined comment.

In its years as one of the world's fastest-growing industrial economies, South Korea spread capital all over Europe, $4.6 billion in investment in factories, warehouses and other industrial facilities as of 1996, according to the Korean Ministry of Finance. The money was well distributed: Germany got $720 million, Britain $530 million, the Netherlands $1.4 billion, and Ireland $548 million.

The Daewoo Group has built car plants in Poland and Romania, Hyundai Group is a partner in a satellite TV service based in Malta. Hardly a week passed without more news of Korean money arriving.

In Britain in particular, capital flowing from East Asia has become a key factor in the economic revitalization of the '90s. Japan has car and electronics plants here; the Koreans, a bit slower in world expansion, were just getting started, with plans for many times beyond the $530 million figure of 1996.

Now, the Korean industrial conglomerates fight to save every dollar they can to stay afloat. They all "have very significant short-term debt, and that's the big issue now, financing that short-term debt," said Peter Beck, director of research at the Korea Economic Institute of America.

One way to find the foreign exchange their creditors are demanding is to divert money from big investment projects. Samsung Corp., for instance, said last month that in 1998 it would shave close to $3 billion off its investment budget, a 30 percent drop.

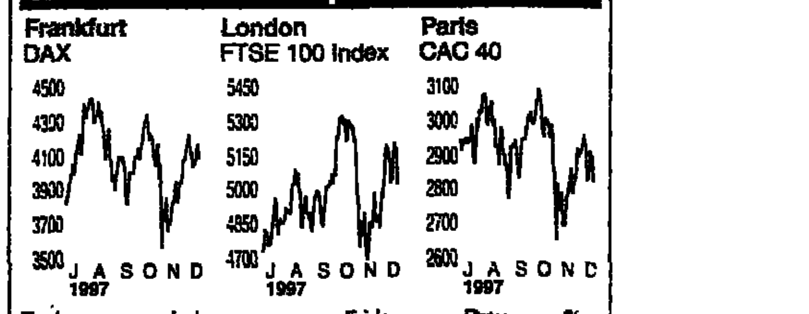
In Dunfermline, an economically depressed community northwest of Edinburgh that was once the seat of Scottish kings, people had cheered news that South Korea's Hyundai would build two plants on a tract outside town near a national highway. Phase one would cost about $1.9 billion and employ 800 people when finished.

The low white building of phase one went up, but as people waited for the costly chip-making equipment to arrive, there came instead the report that the project was to be put off for up to one year, because Hyundai was having trouble raising the financing.

"It's a letdown," mused Helen Cassidy, a Dunfermline bartender, who said it is a big topic of conversation at her pub. "There's quite a lot of unemployment in this area. Men with families were looking forward to getting jobs."

Officials are taking the news of the cancellation, the Koreans' first jumbo project in Scotland, with resignation. "Clearly, we all understand there is turmoil in the economy in Korea," said Martin Togneri, director of Locate in Scotland, an economic development agency. "Hopefully, it will stabilize before too long."

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	879.49	907.53	-3.09
Brussels	BEL-20	2,454.34	2,487.67	-1.34
Frankfurt	DAX	4,084.75	4,166.24	-1.96
Copenhagen	Stock Market	649.81	656.59	-1.03
Helsinki	HEX General	3,156.57	3,246.38	-2.77
Oslo	OBX	658.21	664.70	-0.98
London	FTSE 100	5,020.20	5,168.30	-2.87
Madrid	Stock Exchange	614.94	629.04	-2.24
Milan	MIBTEL	15931	16206	-1.70
Paris	CAC 40	2,822.90	2,894.50	-2.47
Stockholm	SX 16	3,080.08	3,224.46	-4.48
Vienna	ATX	1,249.97	1,266.16	-1.26
Zurich	SPI	3,738.24	3,808.88	-1.85

Source: Telekurs — International Herald Tribune

Societe Generale to Acquire Banking Unit of Hambros

Compiled by Our Staff From Dispatches

LONDON — The pool of independent British investment banks withered to just three family-owned niche players Friday after the French banking group Societe Generale SA agreed to buy the banking business of Hambros PLC.

Hambros said it would sell Hambros Banking Group to Societe Generale for £300 million ($500 million) and planned to dispose of its insurance and real estate holdings as it dissolves itself after 158 years.

Hambros sold its corporate lending business to Generale de Banque SA of Belgium on Thursday for an undisclosed sum.

The sale of the banking group, which employs 1,400 people and specializes in corporate finance, private banking, bond trading and derivatives, will boost the French bank's plans to build an investment bank in London as a complement to its Societe Generale Strauss Turnbull stock brokerage business.

Societe Generale, which employs 1,200 people in London, forecast "significant" layoffs in the back-office business of Hambros as it integrates the unit. It said it would combine all of the businesses it buys with its own operations except for the bond business. That unit will continue to operate separately and may be sold off.

The Hambros sale is the latest in a series of withdrawals from investment banking by British financial companies after they failed over the last decade to expand their operations to serve the increasingly global needs of their clients. National Westminster Bank PLC and Barclays PLC both sold the bulk of their investment banks in the last two months.

The three remaining sizable institutions, Schroders PLC, Robert Fleming Holdings Ltd. and Rothschilds Continuation Ltd., focus on niche markets and are tightly controlled by the same families that had established those banks in the last century.

Patrick Pagni, chief executive of Societe Generale's British operations, will become chief executive of the combined companies.

In London, Hambros shares fell £2.50 to £256.50. Societe Generale shares were down 16 francs at 826 francs in Paris. *(AFP, Bloomberg)*

S&P Is Bearish On Russia Debt

Bloomberg News

LONDON — Standard & Poor's Corp. said Friday it changed its outlook on Russia's foreign currency debt rating to "negative" from "stable," citing the country's growing fiscal deficit.

S&P said it would cut the rating if the government "does not implement effective measures to improve fiscal performance."

To maintain its rating, Russia needs a new tax code, better tax collection system and reforms to the pension, health and education systems, S&P said.

"Russia's fiscal position has remained very weak in 1997, with the federal government deficit remaining at a high 6.5 percent to 7 percent of gross domestic product against official expectations of 5 percent," S&P said. "The government's fiscal flexibility continues to diminish."

Interest payments on Russian debt absorbed 46 percent of total government revenue this year, S&P said, adding that three-quarters of the payments were on domestic debt.

A Surge in Manufacturing Bolsters Recovery in France

Bloomberg News

PARIS — French factory output rose far more than expected in October, with all industries except food rebounding from a drop in September, confirming that domestic demand is joining exports to power an economic recovery.

The index of manufacturing production, which excludes the energy, food and construction, rose 3.5 percent from September, the statistics bureau Insee said Friday, paced by a 3.6 percent gain by carmakers.

The figures underpin the French government's sometimes-derided forecast that the economy will grow 3 percent next year, after 2.3 percent this year, as domestic investment and household spending make up for slowing exports.

"What can't be denied is that the economy in France is in full expansion," said Hugues de Montvalon, an economist at the brokerage Oddo & Cie. "And it's not just exports like it was earlier in the year. Domestic investment and consumption are accelerating, too."

Some analysts assert that the slowdown in Asia, prompted by sliding currencies and soaring interest rates, will curb French exports next year. But domestic investment and consumption, which have been weak most of this year, are now recovering and will take the place of exports in driving the economy next year, economists said.

The Insee bureau forecast that the economy would expand 3 percent in 1998, and it raised its forecast for this year to 2.5 percent, from 2.3 percent.

"France has entered a period of more balanced growth," said Roland Lescure, an analyst at Insee. "The Asian crisis has worsened, but the recovery in France has been confirmed."

In the three months ended in October, manufacturing output rose 2.4 percent compared with the May-July period, while on an annual basis output jumped 6.3 percent from the quarter ended in October 1996.

Companies expanded production to meet continuing strong demand from abroad for French goods, aided by the franc's 2.2 percent decline against the currencies of France's largest trade partners in the first 10 months of the year.

Orders for French goods are running at record levels, ensuring that the trade surplus should reach a record 160 billion francs ($27 billion) this year, the Trade Ministry said.

Very briefly:

- **Volkswagen AG**, Europe's largest carmaker, could lose 1.5 billion Deutsche marks ($845 million) in potential sales this year because of delays in the production and delivery of its best-selling Golf model, the German weekly Der Spiegel reported. The German carmaker had no comment on the report.
- **Laura Ashley Holdings PLC** has appointed Richard Pennycook as its finance director and has agreed to new loan terms with its banks as the clothing retailer reorganizes to reverse slumping profit. Mr. Pennycook, a finance director at the pub chain J. D. Wetherspoon PLC, begins his new job March 16.
- **Germany's** upper house of Parliament approved raising value-added tax to 16 percent from 15 percent to avoid an increase in pension contributions in January. The increase takes effect April 1.
- **El Al Israel Airlines** chose **Boeing Co.** to supply Israel's state-owned carrier with five model 737 planes, which are scheduled for delivery in 1999.
- **SAir Group** ordered 15 jets from **Airbus Industrie**, the European consortium, for its Swissair airline, a first step in what is expected to be a 2.1 billion Swiss franc ($1.5 billion) plan to shed all its **Boeing** and **McDonnell-Douglas Corp.** aircraft.
- **Thomson Corp.**'s British leisure unit agreed to buy **Fritidsresor AB** of Sweden for 3.3 billion Swedish kronor ($426.6 million), its largest acquisition ever, to expand its travel business into Nordic markets.
- **Net Holding AS**, Turkey's largest tourism conglomerate, said George Soros's Quantum Emerging Growth Partner CV increased its stake in Turkey's largest tourism conglomerate to 17.05 percent from 15 percent after a capital increase.
- **Dassault Aviation** won an order for 24 business jets worth 3 billion French francs ($505 million) from **Executive Jet Aviation**, a U.S. company that sells part-interests in business jets.

Bloomberg

WORLD STOCK MARKETS

Friday, Dec. 19
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 879.49 Previous: 907.53

	High	Low	Close	Prev.
ABN-AMRO	40.40	39	39.20	40.90
Aegon	176.10	173.50	174	177.60
Ahold	52.20	50.60	50.98	52.90
Akzo Nobel	333.10	328.70	329	334.90
Baan Co.	66.30	63.90	64.40	67.70
Bols Wess cva	31.80	30.70	31	30.90
CSM cva	86.20	85.70	86.50	87
Dordtsche Pet	106.50	104	104.90	107.50
DSM	181.30	179.30	179.30	181.30
Elsevier	33.10	32.50	32.60	33.20
Fortis Amev	86.20	84.20	84.40	87
Getronics	65.50	64.20	64.60	66
G-Broc cva	50.20	49.30	49.30	50.80
Hagemeyer	84	82	82.20	84.50
Heineken	347	338.50	339.70	348.50
Hoogovens cva	83.50	82.10	82.20	83.90
Hunt Douglas	75	73	74.10	75
ING Group	84.20	81.50	81.50	84.90
KLM	74.90	73.60	73.60	75.30
KNP BT	45	43.60	43.70	45
KPN	82.90	80	80.10	83.50
Nedlloyd Gp	43.90	43	43.20	44.80
Nutricia	60.30	58.60	59.80	61
Oce Grinten	219.80	213.50	214.10	220.40
Philips Elec	120	116.50	116.70	123.70
Polygram	100.50	98	99	100.40
Randstad Hdg	77.20	75.50	77.20	78
Robeco	185.80	185.30	185.80	187
Rodamco	57	56.90	57	56.90
Rolinco	173.60	172.60	172.60	175.50
Rorento	120.40	120	120	120.60
Royal Dutch	108	105.10	105.50	109.40
Unilever cva	121.90	118.70	119.30	122.70
Vendex Intl	106.50	105.20	105.30	107.80
VNU	54.70	53.20	53.80	51.70
Wolters Kl cva	263	254.70	256.30	263.10

Bangkok
SET index: 385.25 Previous: 387.28

	High	Low	Close	Prev.
Adv Info Svc	242	238	240	246
Bangkok Bk F	136	127	136	128
Krung Thai Bk	11.25	10.75	11	11.25
PTT Explor	404	394	400	394
Siam Cement F	368	350	358	360
Siam Com Bk F	54.50	52.50	53.50	54
Telecomasia	12	10.50	11	12.25
Thai Airways	49.50	49.25	49.25	50
Thai Farm Bk F	103	100	101	100
Utd Comm	19.75	18.75	19.75	20

Bombay
Sensex 30 index: 3540.91 Previous: 3472.35

	High	Low	Close	Prev.
Bajaj Auto	611	587.75	609.75	594.25
Hindust Lever	1403	1317	1395	1325
Hindust Petlm	467	457.75	464.50	459
Ind Dev Bk	84.25	83	83.75	83.50
ITC	591	573	589.25	588
Mahanagar Tel	251	243	250	243.75
Reliance Ind	161.25	155.50	160.75	157
State Bk India	225	220	225	222.75
Steel Authority	10	9.75	9.75	9.75
Tata Eng Loco	287.75	279.50	286	282.25

Brussels
BEL-20 index: 2454.34 Previous: 2487.67

	High	Low	Close	Prev.
Almanij	1920	1865	1900	1920
Barco Ind	6700	6590	6680	6680
BBL	9820	8800	8800	9830
CBR	3470	3380	3380	3495
Colruyt	18025	17800	17900	18200
Delhaize Lion	1875	1750	1750	1895
Electrabel	8500	8340	8500	8360
Electrafina	3450	3420	3450	3445
Fortis AG	8000	7530	8000	7640
Gevaert	1700	1680	1700	1670
GBL	5800	5300	5800	5350
Gen Banque	16350	16000	16175	16325
Kredietbank	16300	15750	15750	16400
Petrofina	14400	13900	14400	14050
Powerfin	5250	5210	5250	5210
Royale Belge	10950	10275	10950	10700
Soc Gen Belg	3550	3300	3300	3565
Solvay	2300	2225	2300	2275
Tractebel	3400	3160	3400	3160
UCB	122000	118000	118000	123750

Copenhagen
Stock index: 654.59 Previous: 656.59

	High	Low	Close	Prev.
BG Bank	476	460	470.06	472
Carlsberg B	361	350	353	357
Codan Fors	1000	980	990	990
Danisco	367	354	365	364
Den Danske Bk	878	850	870.27	885
D/S Svendbrg B	425000	410000	411000	425000
D/S 1912 B	295000	287000	287000	295000
FLS Ind B	170	164	165.21	167
Kob Lufthavne	810	795	795	801.63
Nvo Nordisk B	900	869	880	883
Sophus Ber B	1075	1060	1060	1080
Tele Danmk B	435.19	418	420	435
Tryg Baltica	458.30	434	447	455
Unidanmark A	510	489	503	505

Frankfurt
DAX: 4084.75 Previous: 4166.24

	High	Low	Close	Prev.
AMB B	191	188	190.50	189.50
Adidas	238.50	225	225.50	246.50
Allianz	459.50	451	455.50	464.70
Altana	122.50	120.10	120.10	122.70
Axa Colonia	170	160	163.50	168
Bk Berlin	40.60	40	40.50	40.70
BASF	61.40	60.40	60.70	62.55
Bayer Hypo Bk	90.50	87.30	90.50	88
Bay.Vereinsbank	119.50	118.30	119	118.50
Bayer	61.55	60.65	60.70	62.35
Beiersdorf	74.50	72.30	73.50	71.50
Bewag	50.30	49	50.20	48.60
BMW	1270	1230	1235	1295
Commerzbank	74.90	73.80	74.80	71.50
Daimler Benz	120.30	117.20	117.20	124
Degussa	87	84.40	84.40	88
Deutsche Bank	125	123.50	123.95	125.80
Deut Telekom	31.30	30.80	31	31.95
Dresdner Bank	83	80.50	81.10	82.70
Fresenius	308	290	301	291
Fresenius Med	121	115.50	118.50	119
Fried. Krupp	323	313	320	327
Gehe	99.50	96	96.50	99
Heidelbg Zmt	131	124.60	126	131.10
Henkel pfd	110	107.50	109.20	109.60
HEW	466	462	462	466
Hochtief	67.50	65.30	66	68.50
Hoechst	61.60	60.20	60.60	61.65
Karstadt	615	600	615	615
Lahmeyer	73.50	72.50	73	73.50
Linde	1080	1065	1072	1100
Lufthansa R	32.60	31.45	31.50	33.50
MAN	504	492	504	509
Mannesmann	888	874	875	895.50
Metallgesellschaft	32	31.50	31.50	32
Metro	65.80	63	64.30	70.45
Munch Rueck R	655	627	655	650
Preussag	518	504	517	523
RWE	94.20	93.30	94.10	95.45
SAP	506.50	504	505	520
Schering	176.90	174.50	176.90	179
SGL Carbon	220	219	219	220.50
Siemens	101.30	100.55	100.55	103.50
Springer (Axel)	1312	1300	1312	1330
Suedzucker	875	865	867	900
Thyssen	388.90	384.20	385.90	399.80
Veba	116.70	114.20	116.70	118
VEW	595	580	594	590
Viag	993	948	979	969.50
Volkswagen	960	948	949	982

Helsinki
HEX General index: 3156.57 Previous: 3246.38

	High	Low	Close	Prev.
Enso A	42.50	42	42	43
Huhtamaki I	217	207	207	219
Kemira	51	50.20	50.50	51.40
Kesko	84	83	83	84
Merita A	29.10	27.50	27.60	29.10
Metra B	123	119.50	123	120
Metsa-Serla B	41	39.60	40	41
Neste	131	130	130	132
Nokia A	373	357	358	376
Orion-Yhtymae	137.50	134	135	136.50
Outokumpu	64.60	62.50	62.50	64.90
UPM-Kymmene	106	100.30	102.40	104
Valmet	75	73	75	75.20

Hong Kong
Hang Seng: 10485.81 Previous: 10754.11

	High	Low	Close	Prev.
Amoy Props	6.70	6.55	6.65	6.75
Bk East Asia	18.40	17.65	17.85	18.45
Cathay Pacific	5.90	5.65	5.75	5.95
Cheung Kong	49.70	48.80	49.30	50.50
CK Infrastruct	21.15	20.40	20.90	21.80
China Light	42.50	41	41.40	42.90
Citic Pacific	31.50	30.40	30.80	31.70
Dao Heng Bk	20.20	19.70	20	20.35
First Pacific	3.85	3.60	3.70	3.88
Hang Lung Dev	10.55	10.35	10.55	10.70
Hang Seng Bk	72.50	70.50	72	73.50
Henderson Inv	6.25	6.05	6.05	6.40
Henderson Ld	36.50	35.80	36.30	37.40
HK China Gas	14.50	14	14.20	14.65
HK Electric	28.45	27.10	27.90	27.75
HK Telecomm	15.55	15.05	15.15	15.85
Hopewell Hdgs	1.97	1.93	1.94	1.99
HSBC Hdgs	191	187	188	195.50
Hutchison Wh	47.50	46.40	46.80	47.60
Hysan Dev	15.50	15.10	15.20	15.50
Johnson El Hdg	22	21.70	21.70	22.20
Kerry Props	13.20	12.50	12.50	13.30
New World Dev	26	25.55	25.70	26.45
Oriental Press	2.30	2.25	2.28	2.33
Pearl Oriental	0.48	0.45	0.46	0.48
SHK Props	54.50	53.50	54	56.25
Shun Tak Hdgs	2.30	2.25	2.30	2.33
Sino Land Co.	4.60	4.35	4.53	4.70
Sth China Post	5.50	5.20	5.35	5.30
Swire Pac A	40.70	40	40.10	41.20
Wharf Hdgs	16.30	15.80	16.10	16.70
Wheelock	8.90	8.65	8.80	9.30

Jakarta
Composite index: 378.80 Previous: 378.39

	High	Low	Close	Prev.
Astra Intl	1525	1425	1525	1500
Bk Intl Indon	375	350	350	375
Bk Negara	525	475	525	525
Gudang Garm	8225	7950	8100	8050
Indocement	1575	1450	1575	1500
Indofood	2050	1850	1875	2075
Indosat	9750	9500	9500	9750
Sampoerna HM	4325	4000	4150	4125
Semen Gresik	2950	2750	2900	2900
Telekomunikasi	2725	2525	2700	2675

Johannesburg
All Market: 6049.86 Previous: 6168.84

	High	Low	Close	Prev.
ABSA Group	28	27.50	27.70	28.30
AngloAm Coal	222	221	222	222
AngloAm Corp	198.40	194	194.40	201
AngloAm Gold	179	172.20	177	177
AngloAm Ind	126.40	117	118.20	126.40
AngloAM Plat	74.50	65.90	69.70	75
AVMIN	5.30	5	5.30	5.10
Barlow	42.50	40.50	40.50	42.60
C.G. Smith	19.50	18	18.95	19.75
De Beers	100	98.40	99.50	101.40
Driefontein	33.50	33	33.05	33.05
Fst Natl Bk	40.50	39.90	40	41
Gencor	7.25	7.10	7.11	7.38
GFSA	70	67	68.90	70
Imperial Hdgs	50.90	50	50.60	50
Ingwe Coal	17.50	17	17.25	17.60
Iscor	1.70	1.64	1.66	1.73
Johnnies Indl	50	48	48.65	51
Liberty Hdgs	327	320	325	327
Liberty Life	122	117.60	120	123
LibLife Strat	15.50	14.50	14.80	15.70
Minorco	84.50	82.20	82.70	85.60
Nampak	15	14.80	14.85	15.85
Nedcor	109	106	107.60	109.80
Rembrandt Gp	36	34.50	35	36.75
Richemont	54.50	52.60	53.60	54.50
SA Breweries	118	115.40	116.60	120
Samancor	23	23	23	23.40
Sasol	50.50	49.50	49.80	51.20
SBIC	211	204	205.20	213
Tiger Oats	68	65	66.40	68.50

Kuala Lumpur
Composite: 578.74 Previous: 577.58

	High	Low	Close	Prev.
AMMB Hdgs	2.32	2.15	2.16	2.21
Genting	10.50	9.80	10.30	10.20
Mal Banking	10.30	10	10	10.40
Mal Intl Ship F	5.40	5.05	5.10	5.05
Petronas Gas	9.30	8.85	9.25	9.30
Proton	4.34	4.18	4.26	4.36
Public Bk	1.57	1.43	1.56	1.52
Renong	Susp.	Susp.	Susp.	1.80
Resorts World	6.95	6.05	6.75	6.30
Rothmans PM	29.75	28.25	28.50	30
Sime Darby	3.64	3.48	3.62	3.52
Telekom Mal	11	10	10.80	10.20
Tenaga	7.50	7.05	7.25	7.35
Utd Engineers	Susp.	Susp.	Susp.	3.24
YTL	5.20	4.60	4.96	4.80

London
FT-SE 100: 5020.20 Previous: 5168.30

	High	Low	Close	Prev.
Abbey Natl	11.07	10.35	10.56	11.06
Allied Domecq	5.22	5.09	5.10	5.25
Anglian Water	8.38	7.38	8.33	8.28
Argos	5.57	5.50	5.55	5.58
Asda Group	1.79	1.75	1.76	1.79
Assoc Br Foods	5.44	5.22	5.37	5.44
BAA	5.04	4.82	4.90	4.98
Barclays	17	16	16.06	16.90
Bass	9.38	9.10	9.12	9.27
BAT Ind	5.68	5.40	5.40	5.67
Bank Scotland	5.98	5.51	5.73	5.86
Blue Circle	3.27	2.77	3.12	3.30
BOC Group	9.95	9.57	9.61	9.71
Boots	8.95	8.60	8.63	8.89
BPB Ind	3.37	3.32	3.35	3.38
Brit Aerosp	17.40	16.60	16.71	17.18
Brit Airways	5.71	5.50	5.56	5.71
BG	2.86	2.49	2.78	2.87
Brit Land	7	6.50	6.53	6.91
Brit Petm	8.17	7.92	7.92	8.18
BSkyB	4.72	4.40	4.55	4.53
Brit Steel	1.41	1.35	1.38	1.38
Brit Telecom	4.72	4.61	4.62	4.69
BTR	1.89	1.74	1.80	1.80
Burmah Castrol	10.37	10.10	10.37	10.62
Burton Gp	1.40	1.36	1.36	1.43
Cable Wireless	5.42	5.08	5.32	5.35
Cadbury Schw	6.29	6.13	6.13	6.38
Carlton Comm	4.50	4.41	4.47	4.46
Comml Union	8.70	8.39	8.52	8.96
Compass Gp	7.42	7.33	7.37	7.47
Courtaulds	3.03	2.93	2.93	3.02
Diageo	5.90	5.66	5.70	5.87
Dixons	6.05	5.95	5.98	6.03
Electrocomponents	4.62	4.50	4.56	4.56
EMI Group	4.79	4.54	4.61	4.55
Energy Group	6.80	6.51	6.65	6.46
Enterprise Oil	5.84	5.67	5.71	5.88
Fam Colonial	1.70	1.67	1.68	1.71
Genl Accident	11.20	10.25	10.30	10.82
GEC	3.99	3.82	3.93	4.02
GKN	12.50	12.33	12.35	12.39
Glaxo Wellcome	14.35	13.76	13.95	14.38
Granada Gp	9.20	9.01	9.01	9.06
GRE	3.40	3.22	3.22	3.33
Greenalls Gp	4.29	4.20	4.27	4.23
GUS	7.43	7.32	7.33	7.43
Hays	8.38	7.80	7.93	8.29
HSBC Hldgs	14.70	14.25	14.43	14.95
ICI	9.40	9.13	9.16	9.53
Impl Tobacco	4	3.93	3.94	4
Kingfisher	8.51	8.25	8.35	8.47
Ladbroke	2.72	2.67	2.68	2.70
Land Sec	10.05	9.52	9.53	10.12
Lasmo	2.72	2.65	2.66	2.71
Legal Genl Grp	5.29	4.73	4.80	5.27
Lloyds TSB Gp	7.90	7.21	7.36	7.81
LucasVarity	2.10	2.03	2.06	2.01
Marks Spencer	5.93	5.61	5.80	5.98
MEPC	5.28	5.14	5.15	5.29
Mercury Asset	16.95	16.78	16.95	14.86
National Grid	2.91	2.79	2.87	2.90
Natl Power	6	5.56	5.77	5.96
NatWest	10.81	10.02	10.53	10.64
Next	6.93	6.70	6.83	6.90
Norwich Union	3.95	3.68	3.74	4.03
Orange	2.70	2.40	2.62	2.65
P&O	6.95	6.75	6.81	6.90
Pearson	8.50	7.65	7.65	7.99
Pilkington	1.24	1.21	1.22	1.24
PowerGen	8.20	7.80	8.13	8.16
Premier Farnell	4.15	4.08	4.13	4.15
Prudential	7.45	6.97	7.20	7.50
Railtrack Gp	9.62	9.31	9.31	9.60
Rank Group	3.41	3.35	3.36	3.39
Reckitt Coln	9.44	9.05	9.05	9.42
Redland	3.45	3.42	3.44	3.42
Reed Intl	6.29	5.81	5.93	6.20
Rentokil Initial	2.58	2.39	2.54	2.60
Reuters Hldgs	6.57	6.38	6.46	6.55
Rexam	2.87	2.81	2.82	2.85
RTZ reg	7.44	6.90	6.96	7.41
RMC Group	9.50	7.70	7.80	9.15
Rolls Royce	2.45	2.15	2.15	2.34
Royal Bk Scot	7.67	7.32	7.30	7.63
Royal & Sun All	6.20	5.85	5.94	6.21
Safeway	3.37	3.22	3.34	3.36
Sainsbury	5.06	4.73	4.86	5.11
Schroders	19.34	18.01	18.01	19.34
Scot Newcastle	7.75	7.53	7.54	7.54
Scot Power	5.34	5.10	5.26	5.20
Securicor	2.83	2.80	2.83	2.82
Severn Trent	9.98	9.80	9.88	10.05
Shell Transp R	4.49	4.13	4.16	4.48
Siebe	11.81	11	11.05	11.95
Smith Nephew	1.86	1.73	1.84	1.82
SmithKline	6.42	6.02	6.05	6.46
Smiths Ind	8.40	8	8.25	8.40
Sthern Elec	5.08	4.82	4.84	4.94
Stagecoach	8.10	8.05	8.05	8.05
Stand Charter	6.87	6.43	6.51	6.90
Tate & Lyle	4.95	4.90	4.94	4.92
Tesco	4.89	4.70	4.83	4.87
Thames Water	9.07	8.25	8.25	9.23
3i Group	5.20	5.03	5.05	5.11
TI Group	4.88	4.40	4.71	4.94
Tomkins	2.99	2.81	2.95	2.98
Unilever	5.11	4.80	4.89	5.10
Utd Assurance	5.28	5.22	5.25	5.30
Utd News	7.14	6.84	6.85	7.09
Utd Utilities	7.79	7	7.75	7.85
Vendome Lx uts	4.64	4.60	4.60	4.63
Vodafone	4.62	4.22	4.34	4.29
Whitbread	8.97	8.82	8.93	8.95
Williams Hdgs	3.60	3.33	3.41	3.35
Wolseley	5.15	4.87	4.92	5.08
WPP Group	2.67	2.65	2.64	2.66
Zeneca	21.40	20.22	20.44	20.80

Madrid
Bolsa index: 614.94 Previous: 629.04

	High	Low	Close	Prev.
Acerinox	22000	21500	21510	22550
ACESA	2030	1945	1955	2025
Aguas Barcelon	6330	6180	6250	6360
Argentaria	9420	9230	9230	9540
BBV	4620	4525	4580	4715
Banesto	1490	1460	1460	1520
Bankinter	8250	8170	8170	8370
Bco Centro Hisp	3470	3360	3445	3510
Bco Popular	10300	10070	10150	10500
Bco Santander	4600	4540	4560	4680
CEPSA	4770	4650	4755	4800
Continente	2695	2610	2680	2705
Corp Mapfre	7820	7700	7700	7880
Endesa	2845	2755	2775	2890
FECSA	1265	1245	1245	1270
Gas Natural	7900	7620	7650	8000
Iberdrola	1980	1950	1970	1990
Pryca	2160	2090	2090	2200
Repsol	6400	6350	6360	6450
Sevillana Elec	1410	1385	1385	1430
Tabacalera	12000	11750	12000	12070
Telefonica	4490	4425	4450	4500
Union Fenosa	1445	1430	1440	1455
Valenc Cement	2910	2885	2910	2925

Manila
PSE Index: 1858.22 Previous: 1846.89

	High	Low	Close	Prev.
Ayala	15	15	15	15
Ayala Land	15.50	14.50	15	14.75
Bk Philip Isl	89.50	88	88	89
C&P Homes	2.55	2.46	2.46	2.50
Manila Elec A	84	78.50	82	78.50
Metro Bank	275	267.50	272.50	270
Petron	3.60	3.50	3.50	3.55
PCIBank	128	120	125	121
Phil Long Dist	865	845	855	860
San Miguel B	51	50	50	50
SM Prime Hdg	6.20	6.10	6.20	6

Mexico
Bolsa index: 4941.93 Previous: 5048.91

	High	Low	Close	Prev.
Alfa A	52.00	51.00	51.90	53.40
Banacci B	22.40	21.00	22.30	22.30
Cemex CPO	35.40	34.90	35.40	36.30
Cifra C	17.26	16.60	17.20	17.20
Emp Moderna	42.30	41.00	42.30	43.45
Gpo Carso A1	54.00	52.30	53.00	54.90
Gpo F Bcomer	3.00	2.90	2.99	3.07
Gpo Fin Inbursa	31.50	31.00	31.00	31.90
Kimb Clark Mex	35.55	33.70	35.00	35.70
Televisa CPO	151.50	148.00	150.60	153.00
TelMex L	20.65	20.25	20.65	21.25

Milan
MIB Telematico: 15831.00 Previous: 16206.00

	High	Low	Close	Prev.
Alleanza Assic	17240	16885	17100	17450
Bca Comm Ital	5555	5450	5500	5570
Bca Fideuram	7360	7210	7230	7500
Bca di Roma	1554	1502	1535	1525
Benetton	28250	27650	27700	28450
Credito Italiano	5260	5160	5160	5345
Edison	10190	10000	10060	10140
ENI	9820	9620	9725	9930
Fiat	5045	4910	4915	5125
Generali Assic	42100	41200	42100	42150
IMI	20400	19600	19850	20250
INA	3310	3225	3230	3305
Italgas	6925	6755	6910	6950
Mediaset	8335	8200	8230	8450
Mediobanca	13250	13020	13020	13350
Montedison	1508	1480	1481	1505
Olivetti	1017	1004	1005	1023
Parmalat	2380	2330	2345	2400
Pirelli	4500	4430	4470	4520
RAS	16280	16050	16100	16495
Rolo Banca	24650	24100	24450	25000
S Paolo Torino	16640	16370	16510	16985
Telecom Italia	10920	10700	10700	11015
TIM	7680	7525	7590	7710

Montreal
Industrials index: 3197.00 Previous: 3238.84

	High	Low	Close	Prev.
Bco Mob Com	36.15	35.40	36.15	36.70
Cdn Tire A	29¼	28.40	29¼	29.10
Cdn Util A	41	41	41	40.95
CT Finl Svc	54	54	54	54
Gaz Metro	18.15	17.55	18.15	17.95
Gt-West Lifeco	37¾	37	37.30	37¾
Imasco	50	49¾	50	50.65
Investors Grp	44½	44½	44½	44.55
Loblaw Cos	26.60	26.30	26.60	27.05
Natl Bk Canada	23.85	22.90	23.85	23.85
Power Corp	49¾	48.55	49.70	49.80
Power Finl	48¼	47½	48¼	48.45
Quebecor B	26.70	26¼	26.60	26.60
Rogers Comm B	6.90	6.85	6.85	7.05
Royal Bk Cda	75.20	73.80	74.45	76.05

Oslo
OBX Index: 658.21 Previous: 664.70

	High	Low	Close	Prev.
Aker A	122	116.50	122	118
Bergesen Dy A	180	170	178	171
Christiania Bk	28.50	27.80	28.30	28.70
Den norske Bk	34.50	33.50	34.20	34.50
Elkem	90	87	89	92
Hafslund A	45	44.50	45	44
Kvaerner	362	353.50	359	365.50
Norsk Hydro	350	338	340	352.50
Norske Skog A	211	200	210	207
Nycomed Amer	N.T.	N.T.	N.T.	174
Orkla A	622	613	620	618
Petrol GeoSvc	452	445	450	453
Saga Petm A	126	119.50	123	123
Schibsted	124	122	124	124
Transocean Off	330	330	320	335
Storebrand	52.50	51	52.50	52

Paris
CAC-40: 2822.90 Previous: 2894.50

	High	Low	Close	Prev.
Accor	1129	1092	1120	1138
AGF	316.90	314.70	316	316.90
Air Liquide	879	860	862	884
Alcatel Alsth	743	729	729	750
Axa-UAP	462.10	455.30	459.50	465.90
Bancaire	995	970	974	1006
BIC	404.90	390	390	407.20
BNP	313.80	306	308.10	320
Canal Plus	1068	1002	1017	1008
Carrefour	2908	2802	2802	2949
Casino	329.80	324	329.80	329
CCF	415	401.50	403.70	417.90
Cetelem	850	826	828	857
Christian Dior	565	546	550	570
Credit Agricole	1235	1226.10	1226.10	1221
Danone	1090	1055	1079	1084
Dexia Fran	710	672	693	685
Elf-Aquitaine	654	647	658	663
Eridania BS	945	910	914	965
Eurodisney	7.10	6.95	7.10	7
Eurotunnel	5.65	5.45	5.45	5.60
France Telecom	212.80	205.70	206.50	215.30
Gen. Eaux	807	781	794	797
Havas	429	411	418	424.60
Imetal	730	708	720	718
Lafarge	365.80	357.20	362.60	371.20
Legrand	1130	1101	1101	1139
L'Oreal	2140	2081	2081	2169
LVMH	932	894	894	943
Michelin B	281.80	274.80	277	285.50
Paribas A	498.60	486	489	505
Pernod Ricard	339	317.60	339	322.10
Peugeot Cit	723	702	702	729
Pinault-Print	3010	2969	2982	2989
Promodes	2340	2285	2315	2332
Renault	169.50	165	165.10	172.30
Rexel	1774	1708	1750	1730
Rh-Poulenc A	259.90	255.10	259.90	262.70
Sanofi	624	603	617	621
Schneider	307.80	301.50	301.50	313
SEB	794	779	790	790
SGS Thomson	324.80	313.10	316.50	336
Ste Generale	834	814	826	842
Sodexho	3089	2950	3020	2980
St Gobain	830	805	810	831
Suez (Cie)	15.80	15.80	15.80	15.90
Suez Lyon Eaux	654	632	640	656
Synthelabo	745	708	742	726
Thomson CSF	184	176.50	182	184.90
Total B	620	600	612	627
Usinor	82	79.70	81.60	83.40
Valeo	387.80	377	377.60	392.60

São Paulo
Bovespa index: 9167.68 Previous: 9482.84

	High	Low	Close	Prev.
Bradesco Pfd	9.40	9.10	9.40	9.40
Brahma Pfd	710.00	700.00	710.00	725.00
Cemig Pfd	45.50	42.00	43.50	45.50
CESP Pfd	59.00	55.00	57.20	60.00
Copel	11.50	11.30	11.50	11.90
Eletrobras	53.50	51.00	53.00	55.50
Itaubanco Pfd	530.00	529.99	530.00	545.00
Light Servicos	395.00	380.00	395.00	405.00
Lightpar	258.00	240.00	257.00	270.00
Petrobras Pfd	228.00	222.00	224.00	238.00
Paulista Luz	138.50	135.00	138.50	143.00
Sid Nacional	30.49	29.01	30.00	31.49
Souza Cruz	8.51	8.40	8.50	8.75
Telebras Pfd	115.50	110.11	114.20	118.00
Telemig	112.00	110.00	112.00	117.50
Telerj	99.00	93.00	97.01	98.00
Telesp Pfd	274.00	257.00	269.00	278.00
Unibanco	41.60	40.50	41.00	42.30
Usiminas Pfd	5.71	5.35	5.36	5.71
CVRD Pfd	19.80	18.50	19.30	19.70

Seoul
Composite index: 397.02 Previous: 418.49

	High	Low	Close	Prev.
Dacom	71000	64000	66500	68000
Daewoo Heavy	5850	5290	5290	5750
Hyundai Eng.	12900	11600	11600	12600
Kia Motors	6790	6790	6790	6290
Korea El Pwr	16300	15100	15100	16400
Korea Exch Bk	4500	3960	3960	4300
LG Semicon	18400	16900	16900	18300
Pohang Iron St	52500	48600	48600	52800
Samsung Display	34700	32900	32900	35700
Samsung Elec	44500	41700	41700	45300
Shinhan Bank	8090	7470	7470	8110
SK Telecom	469000	437000	437000	475000

Singapore
Straits Times: 1572.41 Previous: 1591.41

	High	Low	Close	Prev.
Asia Pac Brew	4.30	4.28	4.28	4.28
Cerebos Pac	4.42	4.38	4.38	4.38
City Devlts	8.20	7.40	8.20	8.05
Cycle Carriage	7.25	7	7	7.25
Dairy Farm Int *	0.94	0.93	0.93	0.94
DBS foreign	14.90	14.30	14.60	14.90
DBS Land	2.79	2.66	2.71	2.80
Fraser & Neave	7.25	6.95	7.15	7.20
HK Land *	1.81	1.78	1.76	1.83
Jard Matheson *	4.42	4.30	4.40	4.46
Jard Strategic *	2.23	2.20	2.22	2.20
Keppel A	5.15	5	5.05	5
Keppel Bank	2.72	2.67	2.69	2.70
Keppel Fels	4.28	4.20	4.26	4.20
Keppel Land	2.62	2.54	2.60	2.66
OCBC foreign	10.20	9.70	9.70	10.40
OS Union Bk F	6.55	6.25	6.45	6.70
Parkway Hdgs	3.84	3.80	3.82	3.90
Sembawang	4.58	4.48	4.50	4.62
Sing Air foreign	11.30	11	11.10	11.50
Sing Land	4.04	3.90	4	4.04
Sing Press F	23.20	22.50	22.60	23.40
Sing Tech Ind	1.75	1.70	1.72	1.75
Sing Telecomm	3.14	3.02	3.12	3
Tat Lee Bank	2.52	2.50	2.50	2.52
Utd Industrial	0.67	0.64	0.65	0.65
Utd OSea Bk F	10.50	9.80	9.85	10.80
Wing Tai Hdgs	2.15	1.98	2	2.03

*: in U.S. dollars.

Stockholm
SX 16 index: 3080.08 Previous: 3224.46

	High	Low	Close	Prev.
AGA B	101	98	99	99.50
ABB A	90.50	88.50	89	91.50
AssiDoman	193	188	188	195
Astra A	134	131.50	132.50	136.50
Atlas Copco A	224	221	221	224
Autoliv	275	255	255	275
Electrolux B	560	544	549	560
Ericsson B	284.50	274	274	296
Foreningss Spar	188	178	178.50	190
Hennes B	332.50	326	330	334
Incentive A	700	690	693	693
Investor B	372	365	370	377
MoDo B	211	206	206	211
Pharm/Upjohn	278.50	271.50	273	278
Sandvik B	222	219	219.50	224
Scania B	180	172.50	173.50	182
SCA B	173	169	170	175
S-E Banken A	101.50	94	94	103
Skandia Fors	401	388	390	406
Skanska B	322	318	320	323
SKF B	164	154.50	157	164.50
Stora A	98.50	96	96.50	99.50
Sv Handels A	287	275.50	277	289
Volvo B	210.50	206.50	208	213.50

Sydney
All Ordinaries: 2527.80 Previous: 2562.10

	High	Low	Close	Prev.
Amcor	6.66	6.47	6.60	6.60
ANZ Bkng	9.97	9.72	9.75	10
BHP	14.15	13.47	13.46	13.81
Boral	3.75	3.67	3.68	3.81
Brambles Ind.	29.90	29.46	29.50	30.20
CBA	17.38	17.18	17.33	17.38
CC Amatil	11.29	11.10	11.20	11.30
Coles Myer	7.53	7.41	7.46	7.59
Comalco	6.64	6.35	6.60	6.51
CSR	5.30	5.10	5.12	5.36
Fosters Brew	2.93	2.86	2.88	2.92
Goodman Fld	2.45	2.37	2.43	2.49
ICI Australia	10.70	10.49	10.60	10.70
Lend Lease	30	29	29.50	30.20
MIM Hdgs	1	0.96	0.98	1.01
Nat Aust Bank	20.75	20.25	20.35	21
Nat Mutual Hdg	2.68	2.60	2.67	2.68
News Corp	8.12	7.96	8.03	8.15
Pacific Dunlop	3.20	3.11	3.13	3.28
Pioneer Int'l	3.94	3.85	3.90	3.92
Pub Broadcast	6.72	6.61	6.70	6.75
Rio Tinto	17.25	16.90	17.01	17.40
St George Bank	8.77	8.54	8.70	8.68
WMC	5	4.84	4.96	5.02
Westpac Bking	9.47	9.35	9.40	9.45
Woodside Pet	10.74	10.60	10.65	10.88
Woolworths	4.87	4.78	4.80	4.88

Taipei
Stock Market index: 8892.58 Previous: 8255.85

	High	Low	Close	Prev.
Cathay Life Ins	152	146	146	146.50
Chang Hwa Bk	98.50	92.50	98	92.50
Chiao Tung Bk	71.50	68	68	68.50
China Develpmt	93.50	90	90	90.50
China Steel	24.50	24.10	24.10	24.50
First Bank	98.50	92	96	92.50
Formosa Plastic	65	62	62.50	65
Hua Nan Bk	101.50	96	98	96
Intl Comm Bk	59.50	57	59.50	56
Nan Ya Plastics	58	56	56	58
Shin Kong Life	109	103.50	105	103.50
Taiwan Semi	112	108	108.50	114.50
Tatung	37	36	36	36.80
Utd Micro Elec	64.50	62	62.50	65.50
Utd World Chin	63	59	61	59

Tokyo
Nikkei 225: 15314.89 Previous: 16161.64

	High	Low	Close	Prev.
Ajinomoto	1190	1110	1120	1200
All Nippon Air	514	497	513	503
Amway	2360	2250	2260	2450
Asahi Bank	520	491	511	525
Asahi Chem	462	450	450	494
Asahi Glass	617	570	579	662
Bk Tokyo Mitsu	1850	1790	1800	1880
Bk Yokohama	309	295	300	310
Bridgestone	2820	2760	2800	2870
Canon	3000	2930	3000	3050
Chubu Elec	2020	1990	2000	2020
Chugoku Elec	1910	1860	1870	1890
Dai Nipp Print	2460	2390	2430	2480
Daiei	594	561	579	600
Dai-Ichi Kang	920	871	878	953
Daiwa Bank	300	280	295	308
Daiwa House	800	778	778	828
Daiwa Sec	459	445	449	485
DDI	2920a	2850a	2910a	2950a
Denso	2520	2400	2450	2600
East Japan Ry	5500a	5340a	5390a	5670a
Eisai	1890	1880	1890	1880
Fanuc	4850	4760	4850	4870
Fuji Bank	570	530	525	602
Fuji Photo	5110	4910	5010	5140
Fujitsu	1390	1360	1380	1400
Hachijuni Bk	1010	986	1010	1010
Hitachi	938	922	930	951
Honda Motor	4680	4590	4630	4680
IBJ	1080	1020	1040	1120
IHI	235	217	235	232
Itochu	240	215	220	230
Ito-Yokado	6600	6260	6550	6600
JAL	356	335	345	348
Japan Tobacco	8670a	8490a	8660a	8100a
Jusco	1810	1730	1790	1840
Kajima	326	299	320	343
Kansai Elec	2180	2140	2160	2180
Kao	1880	1840	1880	1880
Kawasaki Hvy	230	215	225	240
Kawa Steel	166	157	164	172
Kinki Nipp Ry	688	670	671	693
Kirin Brewery	973	941	969	973
Kobe Steel	101	96	98	101
Komatsu	680	652	659	695
Kubota	406	367	377	399
Kyocera	5900	5800	5900	5770
Kyushu Elec	1900	1870	1870	1890
LTCB	223	191	210	235
Marubeni	233	202	216	230
Marui	2010	1940	1980	2110
Matsu Comm	3370	3240	3350	3360
Matsu Elec Ind	1870	1810	1830	1850
Matsu Elec Wk	1030	1000	1030	1030
Mitsubishi	1010	985	990	1020
Mitsubishi Ch	187	180	180	185
Mitsubishi El	329	310	315	325
Mitsubishi Est	1590	1490	1520	1610
Mitsubishi Hvy	518	502	510	528
Mitsubishi Mat	444	422	425	448
Mitsubishi Tr	1500	1410	1420	1530
Mitsui	875	826	850	877
Mitsui Fudosn	1330	1250	1280	1330
Mitsui Trust	230	209	222	245
Murata Mfg	3580	3300	3340	3630
NEC	1350	1320	1350	1360
Nikon	1390	1280	1390	1400
Nikko Sec	390	371	380	410
Nintendo	11800	11500	11800	12100
Nipp Express	639	594	610	643
Nippon Oil	375	356	371	378
Nippon Steel	190	185	188	193
Nissan Motor	537	501	517	545
NKK	108	100	102	110
Nomura Sec	1730	1670	1710	1750
NTT	1110b	1070b	1090b	1120b
NTT Data	6750b	6570b	6700b	6790b
Oji Paper	569	485	495	564
Osaka Gas	290	276	280	280
Ricoh	1610	1570	1600	1640
Rohm	12900	12800	12900	13000
Sakura Bk	431	414	418	490
Sankyo	2980	2920	2950	2890
Sanwa Bank	1460	1360	1400	1520
Sanyo Elec	348	315	325	368
Secom	8450	8150	8450	8310
Seibu Rwy	5910	5400	5470	5800
Sekisui Chem	738	690	720	749
Sekisui House	865	819	865	891
Seven-Eleven	9270	8990	9170	9330
Sharp	848	795	820	848
Shikoku El Pwr	1890	1860	1860	1870
Shimizu	322	300	309	317
Shin-etsu Ch	2650	2530	2640	2620
Shiseido	1920	1860	1900	1930
Shizuoka Bk	1310	1280	1280	1330
Softbank	2550	2410	2480	2550
Sony	11300	10800	10900	11600
Sumitomo	795	738	750	810
Sumitomo Bk	1500	1420	1440	1520
Sumit Chem	305	286	290	310
Sumitomo Elec	1760	1710	1730	1790
Sumit Metal	221	198	199	220
Sumit Trust	740	681	689	755
Taisho Pharm	3300	3060	3300	3430
Takeda Chem	3730	3600	3640	3720
TDK	9940	9640	9940	9880
Tohoku El Pwr	1970	1940	1960	1950
Tokai Bank	635	615	618	665
Tokio Marine	1370	1330	1360	1350
Tokyo El Pwr	2370	2300	2360	2340
Tokyo Electron	4460	4270	4400	4690
Tokyo Gas	302	291	300	299
Tokyu Corp.	510	495	495	528
Tonen	854	810	825	874
Toppan Print	1660	1570	1600	1720
Toray Ind	543	522	532	547
Toshiba	537	515	521	534
Tostem	1180	1110	1170	1150
Toyo Trust	805	770	780	810
Toyota Motor	3690	3600	3620	3670
Yamanouchi	2950	2870	2930	3010

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6522.08 Previous: 6594.94

	High	Low	Close	Prev.
Abitibi Cons.	18.30	17.95	18	18.55
Alberta Energy	27.35	27.05	27.35	27.10
Alcan Alum	39¼	38.10	39	39
Anderson Expl	14.40	13.60	14.35	14
Bk Montreal	62.10	61.15	61.65	62⅛
Bk Nova Scotia	64.90	63.55	64.30	65
Barrick Gold	26.15	25.10	25.35	26.15
BCE	45.20	44.45	44.90	44.90
BC Telecomm	43¼	42⅛	42.90	44.15
Biochem Pharma	33½	32.95	33½	33¼
Bombardier B	29.55	28¾	29.40	29.40
Cameco	42¾	41.10	41.80	41¼
CIBC	45.05	44.20	44.70	45.60
Cdn Natl Rail	67.80	66.90	67.30	68.10
Cdn Nat Res	31	30.05	30.95	31.15
Cdn Occid Pet	31.60	31	31.35	31.60
Cdn Pacific	37.30	35½	36.30	37.45
Cominco	21	20.60	20¾	20.80
Dofasco	22.65	21.85	22.35	22.65
Domtar	10.10	9.95	10	10
Donohue A	23.40	23	23.40	23½
Du Pont Cda A	35½	35	35	35⅛
EdperBrascan	25.70	24⅞	25.40	25⅛
Euro-Nev Mng	18	17	17.60	17.55
Fairfax Finl	318	313	318	314
Falconbridge	18.20	17⅛	18.15	17.85
Fletcher Chall A	18.95	18.60	18⅞	18.80
Franco Nevada	28.10	27½	27.55	28
Gulf Cda Res	9.95	9.60	9.70	9.95
Imperial Oil	89.20	88.30	89	89.30
Inco	25.40	24¾	24.80	25⅛
IPL Energy	63.15	62⅛	63.10	63.10
Laidlaw B	18¼	18⅛	18.40	18.70
Loewen Group	34	33.35	33.55	34.05
Macmill Bldl	15	14⅞	14.90	14.90
Magna Intl A	93¼	91.45	91⅞	93¼
Methanex	11.65	11½	11.55	11.60
Moore	20.30	19.60	20	20.35
Newbridge Net	51½	49.80	51	52.30
Noranda Inc	25	23¾	24.80	24¾
Norcen Energy	16¼	15¾	15.80	15¼
Nthern Telecom	125.35	122¼	124½	127
Nova	13½	13.30	13.40	13.55
Onex	28¾	28¼	28¾	29
Pancdn Petlm	22.70	22.10	22.65	22¼
Petro Cda	25.10	24.30	25	25.15
Placer Dome	17½	16¾	17.05	17.40
Poco Petlm	12.15	11.95	12.10	12.10
Potash Sask	116¼	115.05	115.30	115½
Renaissance	29	28½	28.65	29
Rio Algom	24.70	24.10	24.20	24.80
Rogers Cantel B	13.40	13.10	13.30	13.30
Seagram Co	44.30	43.55	43¾	44.65
Shell Cda A	26.05	25¼	25¼	25.90
Suncor	50.70	50	50.15	49½
Talisman Eny	42½	41½	42	42.70
Teck B	20¼	19.60	20.15	20.15
Teleglobe	46.30	45.90	46¼	46.30
Telus	32.40	31½	32.20	33.10
Thomson	37.70	37.20	37¼	37.70
TorDom Bank	53.35	52.55	53.10	53.95
Transalta	21.70	21.40	21½	21.70
TransCda Ppe	31½	31.15	31¼	31½
Trimark Finl	65	63½	64¼	65
Trizec Hahn	33¼	32½	32.90	33¼
TVX Gold	4.05	3.81	3.99	3.95
Westcoast Eny	33¼	32.90	33.15	32.85
Weston	123½	121.15	122	121

Vienna
ATX index: 1249.97 Previous: 1266.16

	High	Low	Close	Prev.
Boehler-Uddeh	740	725	730	738.50
Creditanst Pfd	691	680	691	690
EA-Generali	3250	3200	3250	3250
EVN	1595	1537	1575	1591
Flughafen Wien	503	499	503	504.90
OMV	1714.90	1681	1703	1717
Oest Elektriz	1065	1023	1034	1030
VA Stahl	470	453.50	465	476.50
VA Tech	1925	1821	1845	1927.90
Wienerberg Bau	2415	2380	2391	2415

Wellington
NZSE-40 index: 2300.95 Previous: 2318.51

	High	Low	Close	Prev.
Air N Zeald B	3.45	3.40	3.40	3.45
Brierly Invt	1.19	1.17	1.18	1.19
Carter Holt ord	2.53	2.45	2.45	2.56
Fletch Ch Bldg	3.96	3.80	3.90	4.00
Fletch Ch Eny	6.00	5.94	6.00	5.96
Fletch Ch Forst	1.40	1.38	1.38	1.41
Fletch Ch Paper	2.13	2.09	2.09	2.16
Lion Nathan	3.97	3.88	3.89	3.99
Telecom NZ	8.72	8.60	8.70	8.67
Wilson Horton	10.20	10.20	10.20	10.20

Zurich
SPI index: 3738.24 Previous: 3808.88

	High	Low	Close	Prev.
ABB B	1810	1755	1759	1820
Adecco B	387	380.50	382	388.50
Alusuisse R	1390	1366	1367	1409
Ares-Serono B	2490	2350	2380	2485
Alel R	800	790	800	800
Baer Hdg B	2665	2645	2650	2692
Baloise Hdg R	2870	2810	2810	2885
BK Vision	1480	1440	1446	1489
Ciba Spec Chem	170.25	165	166	171.75
Clariant R	1176	1160	1162	1179
Crd Suisse Gp R	227	219.75	220.25	230
Elektrowatt B	552	547	552	549
Ems-Chemie	7270	7160	7200	7260
ESEC Hdg	3880	3790	3825	3710
Holderbank B	1178	1150	1155	1153
Liechtenst LB B	565	562	562	565
Nestle R	2138	2101	2130	2150
Novartis R	2249	2210	2218	2272
Oerlikn Buehl R	202.25	195	200	198.50
Pargesa Hld B	1810	1780	1780	1765
Pharmvisn B	885	865	871	874
Richemont A	1675	1590	1590	1639
Pirelli PC	302	291	302	303
Roche Hdg PC	13650	13410	13530	13700
SBC R	451	445.50	447.50	455
Schindler PC	1579	1500	1520	1560
SGS B	2700	2645	2675	2720
SMH B	805	775	780	820
Sulzer R	932	895	903	935
Swiss Reins R	2570	2521	2570	2585
SAir Group R	1897	1845	1897	1875
UBS B	2112	2090	2097	2135
Winterthur R	1700	1570	1700	1722
Zurich Assur R	664	647	651	671

The Trib Index

Prices as of 3.00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	167.96	−3.97	−2.31	+12.61
Regional Indexes				
Asia/Pacific	95.39	−3.89	−3.92	−22.72
Europe	187.99	−4.68	−2.43	+16.62
N. America	211.18	−3.18	−1.48	+30.38
S. America	140.30	−4.30	−2.97	+22.61
Industrial Indexes				
Capital goods	202.39	−3.91	−1.90	+18.41
Consumer goods	203.78	−3.51	−1.69	+26.23
Energy	189.65	−5.71	−2.92	+11.09
Finance	121.61	−4.23	−3.36	+4.42
Miscellaneous	143.87	−4.51	−3.04	−11.06
Raw Materials	158.31	−5.94	−3.62	−9.73
Service	168.85	−2.74	−1.60	+22.96
Utilities	163.58	−2.60	−1.56	+14.02

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NYSE

Friday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		A-B-C								
40½	24¼	AAR	.48	1.2	24	317	38⅝	38¼	38⅝	+⅛
30⁹⁄₁₆	15⅜	ABM	.48f	1.6	25	200	30⅜	29	30⅛	+1⅛
24⅝	18⅛	ABN Am n	.56e	2.9	–	766	19⅞	19½	19⅝	-⅛
101⅛	55⅜	ACE Ltd	.96f	1.0	12	1311	94	92¾	93¾	-⅜
11⅛	10	ACMIn	.90a	8.3	–	478	11	10⅞	10⅞	-⅛
8¼	7	ACM Op	.63	7.8	–	281	8⅛	8⅛	8¼	+⅛
10¼	8⅞	ACM Sc	.90	8.9	–	1245	10⅛	10	10⅛	+⅛
7	6⅝	ACMSp	.57	8.7	–	1519	6⅝	6⅝	6⅝	–
15	11⅝	ACMMD	1.26	9.7	–	1004	13⅛	13⅛	13⅛	–
10⅞	9⅛	ACM MI	.90	9.0	–	178	10	9⅞	10	–
14⅝	12½	ACMMu	.90	6.2	–	205	14⅛	14⅛	14⅛	+⅛
24¾	14	ACNielse	–	–	42	1385	22¼	22¼	22¼	-⅛
27½	17⅛	ACX Tech	–	–	–	184	24⅝	24⅛	24⅝	-⅛
49⅞	21⅞	AES Cp s	–	–	42	7767	42¼	40⅞	41⅝	-1⅜
73¼	48	AES pfT	2.69	4.2	–	361	66⅛	63⅜	63⅜	-2⅝
57⅝	27½	AFLAC	.46	.9	17	3026	50⅝	49⅞	50	-⅛
36⅞	25	AGCO	.04	.1	11	1861	29	28⅜	28⅞	-⅛
21⅛	17⅛	AGL Res	1.08	5.6	14	961	19⅛	18⅝	19⅛	+⅛
25⅝	25	AICI pfT	2.25	8.8	–	226	25⅝	25½	25⅝	-⅛
19⅛	10⅞	AJL	1.44	13.1	–	361	11⅛	10⅞	11	-1
24	16⅝	AK Steel s	.50	3.0	7	6325	17	16⅞	16⅞	-⅛
24⅜	22⅜	AMB Pr n	1.13p	–	–	1300	24⅛	23⅞	23⅞	-⅛
25⅝	20	AMF n	–	–	–	444	24⅜	24	24⅛	-⅛
24⅛	21½	AMLI Rs	1.76f	8.0	17	3195	22	21⅜	21⅞	+⅛
132⅞	78⅛	AMR	–	–	13	8768	126½	123⅞	124⅛	-2⅝
19⅛	9⅞	APT Sat n	–	–	–	135	11⅛	10⅞	10⅞	–
51¼	40⅝	ARCOCh	2.80	6.2	39	395	45	44⅛	44⅝	+⅛
37⅞	19	ASA Ltd	1.20	5.8	–	596	21⅛	20⅝	20⅝	-⅛
57⅝	30¾	AT&T	1.32	2.2	22	87371	61⅜	60⅜	61⅛	+2⅜
30⅝	19⅝	AVX Cp	.24	1.2	13	2017	19⅝	19⅜	19⅝	-⅛
39¾	28⅝	AXA UAP	.65e	1.7	–	1158	39⅛	38⅝	39	-⅛
13½	7⅝	Aames s	.13	1.1	10	5487	12⅛	11⅞	12⅛	+⅛
65⅞	49⅛	AbtLab	1.08	1.7	25	22844	65	62⅝	64⅝	-⅛
36⅛	12⅛	AberFitch	–	–	44	1190	29	27⅛	28⅛	+1⅛
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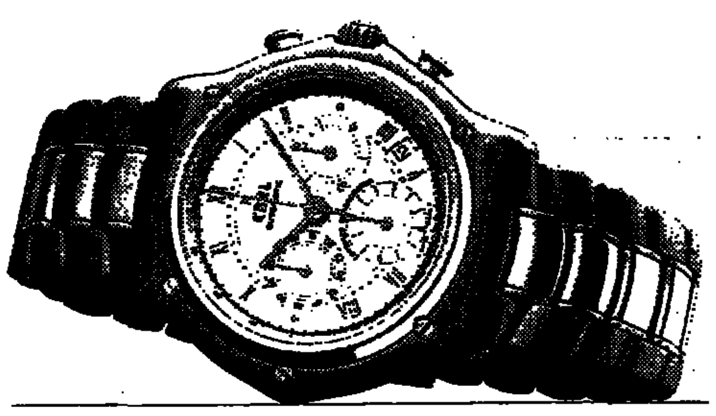

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Continued on Page 14

هكذا من الأهل

Bayer Cancels $1.5 Billion Taiwan Project

Compiled by Our Staff From Dispatches

TAIPEI — Bayer AG of Germany canceled plans Friday to build a $1.5 billion chemical plant in Taiwan, citing political opposition after the governing party's defeat in local elections last month.

The cancellation of what would have been the biggest foreign investment in Taiwan came a day after the Taiwan Parliament delayed a vote to approve a 50-year lease for the government-owned site in Tai-chung Harbor on the west coast.

The project had been in the works for more than three years, and its apparent demise could discourage foreign investment in Taiwan, government officials and analysts said.

"We are deeply disappointed that our intensive efforts to convince the Taiwanese authorities of the benefits of this project have not met with success," said Horst Mueck, the chairman of Taiwan Bayer Co.

Opposition to Chemical Plant Is Cited

The German chemical company will instead seek to build the plant in Baytown, Texas, Mr. Mueck said.

The project had been hailed by Taiwan economic authorities as the fruit of the central government's efforts to build the island into a regional center by attracting multinational investments.

Parliamentary debate over the lease was delayed amid protests by environmental activists and people living near the proposed chemical plant.

Bayer spent more than $10 million on environmental impact assessment and negotiations with residents near the site. The company had urged the Taiwan government to approve the plan by the end of the month.

The cancellation of the project "deals a serious blow to the government's efforts to encourage foreign investment," Economics Minister Wang Chih-kang said.

Jerry Chen, a fund manager for First Global Investment Trust Co. in Taipei, said, "Controversies surrounding the issue will make foreign companies think twice before investing in Taiwan."

Taiwan's benchmark stock index fell 162.47 points Friday, or 1.97 percent, to 8,092.58, following Bayer's announcement.

The plant was to have produced toluene di-isocyanate, a material used for the making of soft foam. Its annual output was projected at 100,000 tons, valued at about 7.2 billion Taiwan dollars ($223.7 million).

Local environmental groups accused Bayer of using outdated technology in the production of hazardous materials at other sites. Bayer denied the charges.

The government's Council for Economic Planning and Development supported Bayer's plan in 1995 and agreed to help secure the production site.

But after the opposition Democratic Progressive Party won elections last month in Tai-chung County, Liao Yung-lai, who will be sworn in Saturday as the county chief, vowed to hold a referendum on the project.

Thomas Reinert, a spokesman for Bayer in Germany, said it was possible that the project could be revived. But he added, "We are not doing anything to push this further." He said the chemical plant would have provided 100 to 150 jobs in Taiwan.

Shares in Bayer closed at 60.70 Deutsche marks ($34.19) in Frankfurt on Friday, down 1.85 DM.

(Bloomberg, AFP)

Seoul Plans Bond to Aid Unemployed

By Steven Mufson
Washington Post Service

SEOUL — The new South Korean government will float a $2 billion domestic bond issue to finance new unemployment benefits, a top adviser to President-elect Kim Dae Jung said Friday.

Kim Won Gil, a legislator with extensive business experience, also said Seoul planned to ask for a "grand national contract" between employers and labor unions to avert mass layoffs and hold down wages.

The new government also will seek greater foreign investment, reform of the financial system and new laws to strengthen the role of shareholders in corporate management, the adviser said.

But Mr. Kim said that the new government's top priority would be to attract foreign investment by assuring the international community that the new administration will "implement the International Monetary Fund agreement fully."

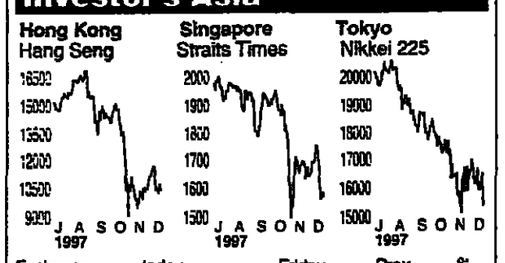
The urgency for that was clear Friday as the South Korean currency, the won, plunged 7.8 percent and key stock market index fell 5.1 percent.

The sell-off came despite efforts by the president-elect to reassure the markets. In a news conference Friday, Mr. Kim said he wanted "to reassure everyone that my government will work very closely with the IMF and in full consultation in all the appropriate areas."

The financial system "has almost collapsed," he said. "That's our fault. Korean companies borrowed too much for loans, and the government lied about its foreign reserves."

Separately, the government said Friday it had retained Salomon Brothers Inc. and Goldman, Sachs & Co. to help the country put together a medium-term financing strategy.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,405.81	10,754.11	-3.24
Singapore	Straits Times	1,572.61	1,591.41	-1.18
Sydney	All Ordinaries	2,528.10	2,563.10	-1.37
Tokyo	Nikkei 225	15,314.89	16,161.64	-5.24
Kuala Lumpur	Composite	578.76	577.58	+0.20
Bangkok	SET	385.25	387.38	-0.55
Seoul	Composite Index	397.02	418.49	-5.13
Taipei	Stock Market Index	8,092.58	8,255.05	-1.97
Manila	PSE	1,858.22	1,846.09	+0.66
Jakarta	Composite Index	378.80	378.39	+0.11
Wellington	NZSE-40	2,300.95	2,318.51	-0.76
Bombay	Sensitive Index	3,540.91	3,472.35	+1.97

Source: Telekurs International Herald Tribune

Very briefly:

• **Thai Airways International PCL** approved a plan for the government to cut its stake to 70 percent, from the current 93 percent, in a series of share sales aimed at bolstering state funds and improving the quality of service.

• **Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co.** and **Yamaichi Securities Co.**, Japan's major brokerages, saw their share of the corporate bond underwriting market drop 39.7 percent in 1997 from 50.4 percent in 1996, according to IBJ-Nikko Information Systems Ltd.

• **Mazda Motor Corp.**, Japan's fifth-largest automaker, said cost cuts and sales growth will enable it to meet its forecast of a 50 percent increase in pretax profit this year to 20 billion yen ($155 million) for the year to March 1998.

• **Lee Hsien Loong**, Singapore's deputy prime minister, is to replace Richard Hu as chairman of the Monetary Authority of Singapore, the country's de facto central bank.

• **Broken Hill Proprietary Co.**'s second-quarter profit fell 13 percent to 436 million Australian dollars ($289 million), or 25.9 cents a share. Earnings in the first half rose 0.4 percent to 793 million Australian dollars. *Bloomberg*

Malaysian Markets Brace for More Bad News

Bloomberg News

KUALA LUMPUR — Investors are bracing for more bad news from Malaysia.

Just two weeks after the government almost halved its forecast for economic growth next year, economists are cutting their forecasts.

The verdict: Malaysia's economy will struggle to make headway, and it risks sliding into a recession along with Indonesia and Thailand.

"For Malaysia to emerge unscathed, you've got to see some strength in the export sector," said Liew Yin Sze, economist at J. M. Sassoon & Co. "I do see some growth, but I don't think it's enough to keep the economy out of recession."

Mr. Liew, who expects the economy to shrink 1 percent next year, is one of six economists surveyed who have slashed estimates for Malaysian output in the past two weeks. Another three are reducing theirs.

Mr. Liew is now in the minority. Malaysia's gross domestic product growth is likely to slow to an average 2.4 percent next year, the economists said. That is half the government's Dec. 5 forecast, which estimated growth at 4 percent to 5 percent.

That is bad enough, though, for Malaysian companies already battling high interest rates and investors concerned that they poured too much money too fast into too many separate industries, leaving them stranded as the economy slows.

The economy grew 8.2 percent in 1996, after growing by at least 8 percent in the past nine years. Malaysia's last recession was in 1985, when the economy shrank 1.1 percent.

"Corporate earnings will continue to be revised downward," said Alex Tan, head of research at Deutsche Morgan Grenfell in Kuala Lumpur. "At best, companies are likely to report single-digit earnings growth next year."

At worst, "bankruptcies would likely happen with the slowing economy," said Chong Yoon Cho, a manager at Aberdeen Asset Management Ltd. in Singapore.

Investors should steer clear of banks, finance companies and property developers, as well as automakers. Banks and property stocks will be hurt by rising interest rates and mounting bad debts as borrowers' income is crimped.

"The prospects for these sectors are dismal, very bleak, and people shouldn't buy them at the moment," said Michael Greenall, a researcher at Caspian Research (Malaysia) Bhd.

For carmakers, such as Proton Bhd. and UMW Holdings Bhd., it is a double whammy, he said. Not only are customers likely to miss payments as rates edge higher. They are also hit by the slide in the currency because many of the parts they use are imported, mainly from Japan.

KOREA: *Kim Favors Summit With North*

Continued from Page 1

deeply about North Korea relations," said a Western diplomat, referring to Mr. Kim by his nickname. "He wants to get something going with the North, probably more than any other candidate did. And there are signs that North Korea may now be willing to engage."

"I'm cautiously optimistic that we'll see this develop in the next six to eight months," the diplomat added. "There will be a serious effort to get this going, and given the receptivity in the North, it may even succeed."

The Cold War still lives in the gash of barbed wire and land mines that divide North and South Korea, and the area remains the site of the greatest massing of hostile troops on the globe.

North and South Korea signed a landmark agreement in December 1991 to reduce tensions and promote exchanges and economic cooperation. But the agreement was never carried out, and relationsbetween North Korea and the current South Korean president, Kim Young Sam, have been bitterly hostile.

Analysts have said that North Korea appears to have been waiting for a new president in the South before considering a resumption of the dialogue. And of all the potential presidents in the South, it is Kim Dae Jung who has devoted the most time to studying possible strategies for reconciliation and eventual unification.

One sign that the North may be ready to consider a thaw is that its leader, Kim Jong Il, this year formally took over the leadership of the ruling party. He is expected to become president as well, perhaps as early as next week.

Kim Jong Il issued a statement in August suggesting that he may be willing to improve ties with the South. North Korea also entered four-way talks last month aimed at establishing a lasting peace on the Korean peninsula, and while progress was minimal, diplomats were happy that North Korea at least showed up for the talks.

Han Sung Joo, a political scientist and former foreign minister who himself tangled with the North, said that there are some signs that improved relations may be possible. But he added that the main question mark is simply whether North Korea wants to go along with the conciliation process.

"It hasn't been an unwillingness on the part of South Korea that has kept dialogue from taking place," Mr. Han said. "It's the willingness of the North Koreans that is crucial."

Kim Myong Chol, a North Korean who lives in Tokyo and serves as an unofficial spokesman for the North Korean authorities, said that the North was prepared to improve ties with the South but wanted to proceed cautiously.

"The North Korean reaction to the election is positive, definitely positive, but still a bit reserved," he said.

If Kim Dae Jung continues to stand for the policies that he supported as a dissident, then relations between the two Koreas can improve, Kim Myong Chol said. He added that a summit meeting might be possible, and that a revival of the 1991 accords might also be practical.

In his statement Friday, Kim Dae Jung called on both sides to implement the 1991 agreement as one basis for improving ties.

"Hopefully, there will be a breakthrough" with the North, said Ben Limb, a Korean-American attorney from New York who is advising Mr. Kim.

During the campaign, Mr. Kim had called for a "sunshine policy" to build trust and "gently lead the North toward openness and reforms." He also endorsed "generous and uninterrupted provision of food assistance" to the North to help build warmer relations.

Aid Donors Pledge $3 Billion to Manila

The Associated Press

PARIS — International aid donors meeting in Paris pledged $3 billion in aid to the Philippines, the World Bank said Friday, citing Manila's progress at tax reform.

The donors, which include major multilateral institutions as well as delegates from G-7 countries, also endorsed Manila's development agenda.

At the same time, the International Monetary Fund has postponed until Jan. 16 its decision on whether to approve the Philippines' exit from a three-year borrowing program, said Gabriel Singson, the central bank governor.

SEOUL: *Wary of South Korea's New President, Markets Plunge*

Continued from Page 1

first post-election words for signs of South Korea's new direction. One source of concern is that many of Mr. Kim's aides are relatively unknown and inexperienced. But Kim Won Gil, who is one of the president-elect's top economic advisers, said that even though some analysts believe the majority party's economic experts "are such good people to manage the Korean economy, look where the Korean economy is now."

Investors are also watching to see how Mr. Kim deals with proposed revisions in the country's labor laws, which currently make it extremely difficult for companies to fire workers. South Korean industry was paralyzed for three weeks last January by a nationwide strike after the outgoing president, Kim Young Sam, tried to repeal those labor laws.

Additional concerns about Kim Dae Jung's positions toward unions have been raised by the president-elect's attempts to assure South Koreans that he would try to minimize layoffs. In an interview Friday, Kim Won Gil, the economic adviser, said that the president-elect would seek a "grand national social contract" to convince businesses to avert layoffs in return for agreements from unions for cuts in wage levels.

Kim Won Gil, a congressman and former business executive, also said that the new government would float a "labor-market stabilization bond" in local currency to soak up cash in the black market and pay for job training and supplemental unemployment benefits.

Lee Myung Ho, president of Union Finance & Investment Corp., said: "What this administration has to do is really think through their policies to see if any of them are feasible, and whether the market is going to react. I don't think we have the luxury of trial and error this time."

South Korea is indeed in a tight bind. Foreign banks have refused to extend any new credits to the country, which has about $160 billion in foreign debts, about half or more of which are short-term obligations. The central bank's foreign-exchange reserves are running well below the short-term obligations of the government, businesses and banks.

Economic forecasts for next year are getting gloomier. Cho Hong Rae, an economist at the Hyundai Research Institute, predicts that South Korea's unemployment will double next year to 5 percent, relatively high here. Economic growth will slow, according to the IMF, to 3 percent from the recent 6 percent annual pace. Prices of imported goods will soar, pushing up overall inflation. Some economists have even predicted that as many as a quarter of South Korea's businesses could go bankrupt.

Mr. Cho said wholesalers, department stores, and manufacturers who depend on imported raw materials would suffer. Manufacturers of goods for the domestic market would be badly hurt as "domestic demand will be disastrous," he added. But he said exports would rise by 10 percent or more.

The IMF is demanding that Korea keep its current account, the largest measure of trade, in balance or surplus. "The problem is unemployment and inflation," Mr. Cho said, "that is the price we must pay" for a surplus.

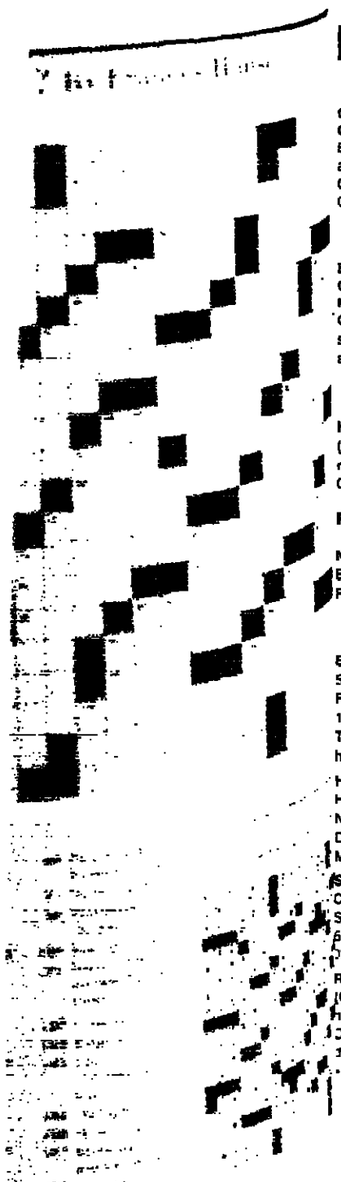
Mr. Cho said he did not expect that Mr. Kim would encounter too many difficulties with trade unions, even though workers here have averaged double-digit pay increases for most of the past decade. Regarding the January protests, Mr. Cho said, "workers felt betrayed at that time. Today the whole country is in hardship and they have to accept reality."

Analysts say South Korea's big conglomerates, known as *chaebol*, will also have to accept a new reality. For decades, they have enjoyed a cozy relationship with South Korean leaders. They have performed favors for one another, and some have been caught up in illegal campaign financing scandals.

Mr. Kim said Friday that he would sever the corrupt links between big business and government. He condemned the "corruption and harmful collusion between the government and business leaders," which he said were "two evils" that deserved "much of the blame for the current economic crisis."

Instead, Mr. Kim vowed to help the smaller businesses. "The next century will be the century of medium-small businesses," he said. "They are undoubtedly the engine of new economic development and we shall nurture them."

"Only businesses that can adjust to the market economy and international competition will survive," Mr. Kim said, adding that those that cannot, "shall surely perish because that is the cold, harsh reality of globalization."



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English Speaking International Catholic Parish, St Leonhard. Alte Mainzer Gasse 8, 60311 Frankfurt, Germany. Tel/Fax 069-283177. Mass schedule: Saturday 5 p.m., Sunday: 10 a.m. Confessions: 1/2 hour before Mass.

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FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican). 11 rue Bulfa, Sun. 11; **VENCE:** St Hugh's, 22, av. Resistance, 9 a.m. Tel: 33 04 93 87 19 83.

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EMMANUEL BAPTIST CHURCH - 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. Worship: 9:45 : 11:00 a.m Sunday School. For info Tel: 01 47 51 29 63/01 47 49 15 29 or: http://www.geocities.com/Paris/Metro/1352.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense. 8 bd. de Neuilly Worship Sundays. 9.30 a.m. Rev. Douglas Miller. Pastor T : 01 43 33 04 06 Métro 1 to la Defense Esplanade.

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TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel.: 3400-0047. Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

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FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

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EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

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THE CHURCH OF THE ASCENSION, Sun 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seypoothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided. 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome Tel.: 39/6 488 3339 or 39/6 474 3569.

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ALL SAINTS' CHURCH, *1st Sun. 9 & 11:15 a.m.* Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

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THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

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I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

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BUCHAREST

I.B.C., Strada Popa Rusu 22, 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3960.

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I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3992.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 971 - 2192

DARMSTADT - GERMANY

I.B.C., Wilhelm-Leuschner Str. 104, Darmstadt-Gneisheim, Bible Study Sun. 16:00. Tel.: (0611) 941-0505.

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INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenerstr. 11-18, 65150 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries, Pastor M.Levey. Call/Fax: 06173-62728.

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PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

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WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MadDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

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AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

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AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

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RCB 19061

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Fidelity Orient Fund, a Société d'Investissement à Capital Variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, Kansallis House, Place de l'Etoile, Luxembourg, at 11.00 a.m. on December 30, 1997, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors
2. Presentation of the Report of the Auditor
3. Approval of the balance sheet and income statement for the fiscal year ended August 31, 1997
4. Discharge of the Board of Directors and the Auditor
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Barry R.J. Bateman, Charles T.M. Collis, Charles A. Fraser, Jean Hamilius and H.F. van den Hoven, being all of the present Directors
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg
7. Consideration of such other business as may properly come before the Meeting.

Approval of items 1 through 7 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A Shareholder may act at any Meeting by proxy.

Dated: November 21, 1997
By order of the Board of Directors

Fidelity Investments

NASDAQ

Friday's 4 P.M.
The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Friday's 4 P.M. Close
(Continued)

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International Herald Tribune

THE MONEY REPORT

SATURDAY-SUNDAY, DECEMBER 20-21, 1997

Q & A / **IAN ANDERSON**

From Aqualung to a Watery Investment

Jethro Tull Leader Prefers Salmon Farming to Securities Holdings

IAN ANDERSON, the flautist, singer, songwriter and leader of the rock group Jethro Tull for 30 years, has shunned the extravagance often associated with rock stardom. He has invested the income from his music in fish farming and has interests in a spice business and wildlife conservation. He spoke with Barbara Wall about his business activities.

"I find it more satisfying to invest in other people."

Q. What were some of your earliest investments?

A. The band had to pay off a lot of debt during the first few years of commercial success, so it wasn't until the mid-1970s that individual band members began to realize a cash surplus. Some spent the money ill-advisably; others, including myself, had fairly modest requirements.

My first major investment was a farm in Buckinghamshire, England. It is still my main residence. Before becoming a home-owner, I rented a two-room apartment in London. Because of my Scottish upbringing, I was also keen to have an address in Scotland, so I later acquired the Strathaird Estate on the Isle of Skye.

I would not describe the Strathaird Estate as an investment. I certainly didn't expect to make any money from it. The intention was to support the running costs of the estate through the development of its natural resources. After considering a number of business options, I decided to have a go at salmon farming — anything, but tourism!

The salmon farm was a great success. The next move was to get involved in fish processing. It was not a particularly glamorous move, but the processing side of the business helped us to survive after the prosperity of the boom years of salmon farming in Scotland.

Q. Strathaird Ltd., which encompasses three factories and four fish-processing plants, employs 400 people. What difficulties have you experienced in managing such a large enterprise?

A. Managing a fish-production business is not that different from music management. It involves the same sort of accountancy procedures and financial-planning requirements. As the business grew, however, the social responsibilities became quite onerous.

The lives and fortunes of 400 people now depend on the success of Strathaird Ltd. Often difficult and unpopular decisions have to be made. I am not very good at management, so I had to be disciplined and leave the day-to-day running of the business to an experienced team of people.

One of Jethro Tull's tour managers asked me for a job in the fish business. He went to college and did a postgraduate course in business management and now manages the fish farms. The chairman has also brought a lot of experience and maturity to the business. He has inspired the work force and business community with confidence. This is probably something that I could not do given my non-business background.

I did take one year off from music — 1985 — to devote full-time to the estate. This was at a crucial stage in the commercial development of our fish-processing arm. Since then, I have limited my involvement to two days a month.

Q. Do you have any conventional investments, such as stocks and bonds?

A. My wife is interested in equity-based investing. She has a typically balanced portfolio of investments, which includes mainly blue-chip stocks. I have no interest whatsoever in this area. I would far rather use my money for the broader good. I find it personally more satisfying to invest in other people than in stocks. If I was forced to invest in the stock market, I would certainly try and avoid investing in certain companies. I would not, for example, invest in tobacco stocks. As a serious ex-smoker, I have strong views about the ethics of tobacco sponsorship and tobacco advertising. I am aware of the likelihood that cigarettes represent the biggest threat to my health, even though I gave up smoking years ago.

Q. Do you pay yourself a salary from Strathaird Ltd., or do you rely solely on what you make from music for income?

A. I have always been dependent on music for my livelihood. Any profit made from my other business activities is put back into farming research and development.

I aim to earn at least £1 million ($1.6 million) a year from music. Out of this sum, I generally pay myself about £250,000.

Q. *Can you see yourself* following David Bowie's example and selling your rights to royalties from your music for a lump sum?

A. The same people that approached Bowie also approached Jethro Tull. No doubt they approached other rock artists as well. *The proposal did not appeal to me in the* slightest. There is no way that I would sell out for a chunk of money. I want to develop my music further and stay in the driving seat.

I suspect that there will be a serious attempt to buy some of my other business interests in the next few years, particularly the salmon-processing business. We are the second-largest salmon-processing company in Britain. If I had to put a figure on the value of my global interests in fish farming and processing it would be between £10 million and £20 million.

It may be the case that I get an offer that is difficult to refuse, but my gut feeling is that I will be loathe to relinquish control.

Q. What are your plans for the future?

A. I will be in the studio for the next few months. As far as my other activities are concerned, I would like to press ahead with a new company: The Pepper Garden. The idea behind the venture is to introduce new varieties of fresh spices to the British market. My particular interest is in different varieties of hot chili peppers.

I am also looking at the possibility of setting-up a wildlife conservation trust. I am particularly interested in helping protect endangered wild cats.

"We continue to make more money snoring than when active," says Warren Buffet, who buys stocks to keep.

Secrets of a High Plains Investor

Buffett, the Sage of Omaha, Makes Value Strategy Seem Simple

By Aline Sullivan

IF THE AMERICAN century were to be personified, it might well be by Warren Buffett. The so-called sage of Omaha has none of the glamour of John F. Kennedy or Marilyn Monroe, but for millions of investors he embodies the American Dream.

The 66-year-old chairman of Berkshire Hathaway Corp. is as American as baseball (he is the minority owner of a minor-league team, the Omaha Royals) and apple pie (a favorite at his local steak house). But more importantly, this plain-talking man from Nebraska makes investing seem simple. He identifies companies that are undervalued and buys their stocks to keep forever.

PORTFOLIOS OF THE RICH & FAMOUS

"To invest successfully you need not understand beta, efficient markets, modern portfolio theory, option pricing or emerging markets," said Mr. Buffett in the most recent of his direct and often-humorous letters to shareholders. "You may, in fact, be better off knowing nothing of these. Your goal as an investor should simply be to purchase, at a rational price, a part interest in an easily understandable business whose earnings are virtually certain to be materially higher five, 10 and 20 years from now."

This strategy has enabled Mr. Buffet to turn a $100,000 investment 40 years ago into a company worth $57 billion and amass a personal fortune of almost $20 billion. His strategy has inspired countless imitators, a mutual fund dedicated to Omaha-style analysis and even a computer program designed to imitate his brain.

Mr. Buffett's success remains unique, however. That is because his brand of value-investing is surprisingly difficult. The starting point — identifying companies that are undervalued by the market — is nearly impossible for most investors because it is so painful psychologically to buy stocks that no one else wants. It is even more difficult to buy them for keeps.

This first step of value-investing may be difficult at the best of times but is now particularly so.

"You can pay too much for even the best of businesses," Mr. Buffett said recently. "The over-payment risk surfaces periodically and, in our opinion, may now be quite high for the purchasers of virtually all stocks."

Equally difficult is hanging on to the shares. "We continue to make more money snoring than when active," said Mr. Buffet in his most recent annual report. "Inactivity strikes us as intelligent behavior."

That holds true even when values plunge. Mr. Buffett might have found the recent declines in the two stocks he refers to as his "inevitables" — Coca-Cola Co. and Gillette Co. — a trial. Shares in both companies slumped after they warned that a strong dollar would hurt earnings. But he is hanging on. "No sensible observer questions that Coke and Gillette will dominate their fields worldwide for an investment lifetime," he said.

Another major component of Mr. Buffett's brand of value-investing is sticking to what you know.

"You don't have to be an expert on every company or even many," he advised in his letter. "You only have to be able to evaluate companies within your circle of competence. The size of that circle is not very important; knowing its boundaries, however, is vital."

Mr. Buffet's own circle of competence is large but not all-encompassing. For example, he avoids technology stocks, saying, "If there's a lot of technology, we won't understand it."

Among the top holdings of Berkshire Hathaway are stakes in American Express Co., Federal Home Loan Mortgage Corp., McDonald's Corp., Wells Fargo & Co., and The Washington Post Co., which owns half of the International Herald Tribune.

"This portfolio is attractive in most economic environments and particularly today, when we are seeing falling bond yields and rising earnings uncertainty," said Tom McManus, senior vice president, investment strategy, of NatWest Securities Corp. in New York. "Warren Buffett tends to buy businesses which have very reliable earnings prospects. He owns companies that have high probability of delivering a reasonable growth rate."

Mr. Buffett is not infallible. His $385 million investment in USAir in 1989 was followed almost immediately by the company's collapse. The company later recovered under new management, however, and Berkshire Hathaway lost nothing on the deal.

He is the first to acknowledge his limitations, warning shareholders that Berkshire's large capital base — ranking it among the 10 largest U.S. companies by capital — tends to dampen returns. He also cautioned that the favorable business climate in the United States over the past 15 years will eventually end, saying that "the experience of a bull market dulls the senses."

But his strategy should, in theory, work equally well outside America. Some stock market analysts say that price-to-earnings ratios in many non-U.S. companies mask much greater underlying values thanks to aggressive depreciation and hidden cash reserves.

For further information:

- *FOCUS TRUST*, an $8 million no-load open-ended fund is run by Robert Hagstrom Jr., based on Mr. Buffett's methodology. Telephone 1 610 293 6490. Mr. Hagstrom also is the author of "The Warren Buffett Way" (John Wiley & Sons, New York, $34.95 hardback, $14.95 paperback). Another book is "Warren Buffet Speaks," by Janet Lowe (Wiley, $16.95).
- DAVID BRAVERMAN, investment officer at Standard & Poor's Corp. in New York, developed a computer program based on Mr. Buffett's strategy. The results are published twice a year in Standard & Poor's "Outlook." Telephone: 1 212 208 8000, or, toll-free in the United States, 1 800 852 1641.

Q & A / **Cam Neely**

Ex-Athlete as Financial Champion

Wising Up Investments Helps Former Hockey Star Build Charities

CAM NEELY, the former National Hockey League star with the Boston Bruins, is as much revered in New England for his sporting prowess as for his work with sick and disadvantaged children. Forced to quit the sport last year with an arthritic hip at the age of 31, his retirement has been financially secure and productive largely because he invested wisely throughout his 13-year career. He spoke with Barbara Wall about his investment strategy and charitable interests.

Joan Rieken/The Boston Globe

"The major regret is that I did not seek advice earlier."

Q. When did you first start thinking seriously about financial planning and investments?

A. The money that ice hockey players earned 10 years ago was nowhere close to what they can earn today. It was only during the last three to four years playing ice hockey that my earnings escalated and the need for professional financial advice became apparent.

Sports players generally rely on their agents for advice on financial and business-related matters. I followed the general guidelines and avoided some of the financial pitfalls that entrap other sports players. However, I was too busy enjoying life and not thinking about what might lie around the corner to seriously consider approaching a money manager.

I did save much of what I earned, but rather than invest it in the stock market, I opted for low-interest bank deposit accounts. This was a very safe investment strategy, but not a particularly wise one, as I later discovered.

Like many people, I was wary of equity-based investments. I thought that the stock market was a risky way of investing for the future. Fortunately, I had some financially astute people around me who were concerned about my interests. A former ice hockey player and close friend who had not managed his money particularly well suggested that I approach State Street Research and have a chat with one of the portfolio managers there.

Q. Did you have a clear idea what your investment goals were?

A. I had already bought a house, had savings in the bank and enjoyed a comfortable lifestyle. My wife and I wanted to continue that lifestyle after I retired. Basically, I wanted to make sure that I would have no financial worries should I never work again.

Q. What advice did you receive?

A. The portfolio-management team at State Street outlined my investment options. They explained in detail the different risks involved in the stock market and the type of portfolio that might be suitable for my particular requirements and risk profile.

I would probably describe myself as a conservative investor. After the consultation, it was decided that 60 percent of my portfolio should be in equities, primarily large-capitalization stocks. The aim of these investments is to preserve my capital and provide me with long-term capital appreciation without too many risks attached.

With retiring at such a young age, I needed to be guaranteed a regular income stream to pay the mortgage and my day-to-day living expenses. I was especially keen to minimize my tax liability. The advisers recommended that 40 percent of the portfolio should be invested in tax-free municipal government bonds.

Q. Do you have any regrets about the way you have managed your finances?

A. The major regret is that I did not seek financial advice earlier. I was never extravagant and I did invest in safe cash-deposit accounts from the outset, but if I had sought proper advice then, it would have made a big difference to my current position.

Q. Many athletes start their own businesses. Does this appeal to you?

A. From time-to-time, business proposals do land on my desk, but for the moment my time is taken up with charitable interests. If the right business proposal came along, I might be interested, but it would have to fit in with my lifestyle and other pursuits.

Q. How did the Cam Neely Foundation come about?

A. I lost both my parents to cancer and wanted to help families with children who suffer from the illness. I was especially concerned that, through want of financial resources, some parents cannot be near their children when they are hospitalized.

The foundation provides accommodation for the families of young cancer victims. We have raised $2.5 million since 1995 through events and donations. Our next goal is to raise another $1 million in order to continue the building program.

Q. The Make A Wish Foundation helps terminally ill youngsters fulfill their dreams. How did you become involved with this charity?

A. One young boy's dream was to meet me. I was so humbled by the experience that I had to do something to help.

Nancy Siegel/The New York Times

"I assume that the markets are always wrong," says the secretive billionaire hedge-fund manager George Soros.

Strictly Confidential: The Soros Theory

By Digby Larner

INVESTORS LOOKING for a role model would find it hard to ignore George Soros, the billionaire hedge-fund manager. But if you do not have enough money to buy the required minimum 10 shares in his flagship Quantum Fund NV — shares are currently a little less than $23,000 each — perhaps take a look at the type of investments he chooses.

Unfortunately, Mr. Soros's financial dealings are confidential. While some of his investments inevitably attract publicity, the Quantum policy is one of nondisclosure, said the company's spokesman, Shawn Pattison. "We never give detailed information about the holdings of our funds or the strategies," he said.

Mr. Pattison was also reluctant to provide company reports that would at least outline the historical position of Mr. Soros's investments. But since the fund was started in 1969, it has returned an average 33 percent annually, compared with an average compound annual return of 8 percent for the same period from the Standard & Poor's 500 index.

Discretion has helped Mr. Soros maximize the success of his seven hedge funds. The reason, analysts said, is that Mr. Soros's standing in the market, plus the frequently high value of his deals, means that any forewarning of his intentions could move the market.

This is an especially sensitive issue for arbitrage. In one form of arbitrage, investors aim to buy internationally traded stocks of a company in countries where they are undervalued and then sell them in markets in which they carry higher prices before the difference disappears.

The secrecy surrounding the Quantum funds is aided by their offshore status. None is authorized to be sold in the United States and therefore the group sidesteps the relatively stringent demands of the U.S. Securities & Exchange Commission.

Keeping the funds beyond the reach of the SEC also gives the fund managers greater choice of investment types than is available to U.S.-based mutual funds. Mr. Soros can move away from basic stock investment into commodities, currencies and derivatives without fear of breaching regulatory limits.

His only U.S.-based entity is Soros Fund Management LLC, which provides management services to the Quantum group of funds.

Even under the direct gaze of the SEC, Mr. Soros has maintained confidentiality. Although institutional investors are expected to declare their stock holdings every three months, some can be listed separately and will not be made public for more than a year.

Mr. Soros's discovery of this little-used loophole will make life harder for Cary Krosinsky, a spokesman for Technimetrics Inc., a company that monitors the SEC filings of individual investors.

By following the changes to Soros Fund Management's portfolio, Mr. Krosinsky said he has come to understand Mr. Soros's broad investment philosophy: "He's a value-oriented, contrarian investor using short-selling to hedge equity positions and limit risk."

Continued on Page 17

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INTERNATIONAL FUNDS

December 19, 1997

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a - Asked - - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o- New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; • -ll Offer Price incl. 3% preliminary charge; * - Paris exchange; ++ -Amsterdam exchange; a - unlaquated earlier; z-not registered with regulatory authority. P- Middle of bid and offered price, E- estimated price; y- price calculated 2 days prior to publication; = bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (l) - twice weekly; (m) - monthly.

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THE MONEY REPORT

In a Volatile Market, Buying Spin-Offs Can Be a Bargain-Hunter's Delight

JAMES GLASSMAN *ON INVESTING*

MERGERS, LIKE the impending $42 billion buyout of MCI Communications Corp. by WorldCom Inc., get a lot of attention these days. But smart investors are more likely to earn profits by taking the *opposite* approach: putting their money into spin-offs.

A spin-off occurs when a big company distributes some of its assets' — *usually a subsidiary* — to its stockholders in the form of new shares. A new company is born, often with managers who are more motivated than when they were under the thumb of headquarters.

A good example is Lucent Technologies Inc., spun off last year from AT&T Corp. Since *then, Lucent's* shares have nearly tripled in price.

There is evidence that spin-offs may be a market anomaly — in other words, they tend, in the early stages, to be undervalued. Then, delightfully, investors start to appreciate them, and their prices rise. Buying shares of spin-offs could be a lucrative, long-term strategy for bargain-hunters at a time when bargains are hard to find and the market is extremely volatile.

You have a wide range of choices. While mergers are setting records, so are spin-offs. The two-year period that began Jan. 1, 1996, has been the busiest ever, with about 150 transactions, according to Joseph Cornell of High-Yield Analytics Inc., a Chicago investment boutique that caters to institutions.

Mr. Cornell, one of the few analysts who concentrates on spin-offs, has been following such 1997 events as AT&T's divestiture of NCR Corp., the cash-register company; Pepsico's spin-off of Tricon Global Restaurants Inc., which owns Taco Bell, Kentucky Fried Chicken and Pizza Hut, and Rockwell International Corp.'s spin-off of Meritor Automotive Inc., a parts supplier.

In recent months, Campbell Soup Co. has announced plans to spin off its frozen foods division; Whitman Corp. will spin off Midas International Corp., its muffler company, and Hussmann Corp., which sells refrigeration equipment, and Ford Motor Co. will spin off its 80 percent interest in Associates First Capital Corp., a finance firm.

In his new book, "Spin-Off to Pay-Off," Mr. Cornell writes, "Many academic studies confirm that spin-offs on average have outperformed the general market, and by a significant margin. In addition, the evidence suggests a spin-off can improve the market performance of the parent company, too." This is because both parts of the company can become more focused on their businesses.

One reason that spun-off stocks do well may be what Mr. Cornell called "structural selling." Some investors simply sell the shares in the new companies without paying attention to their underlying value. Additionally, the new company is unlikely to be included in the same stock indexes as the parent, so index funds cannot keep it. These early sellers put downward pressure on the new spin-off's stock.

As a result, in the first months of a spin-off's life, it generally underperforms the market. That is the time to buy.

The next stage begins when the managers of the spun-off company, freed *from bondage and eager to respond to* new stock incentives, start to post exceptional numbers. "Between three months and two years out," said Mr. Cornell, "spin-offs whup the market pretty good."

What does Mr. Cornell like right now? Consider NCR. "It's been a dog" since it was spun off from AT&T a year ago, dropping from $41 to $28, but, he adds, "I think it's a good value here." The company not only makes high-tech cash registers and automated teller machines, it is a leader in "data warehousing" — storing vast quantities of sales information for companies like Wal-Mart Stores, Inc. And NCR has a solid balance sheet, which includes $10 per share in cash.

Another prospect is Midway Games Inc., which makes computer games like Mortal Kombat, NBA Jam and Space Invaders. Its parent, WMS Industries, Inc., which makes pinball machines, still owns 87 percent of Midway but plans to spin it off entirely.

Midway, which trades at a price-to-earnings ratio of just 14, seems to be a fast-growing company buried inside a slower-growing one.

Mr. Cornell is also intrigued by the forthcoming spin-off of Midas. He does not recommend buying Whitman now. Wait until the divestiture. Then, if Midas, "gets really beaten up, we can buy it on the cheap," he says.

For further information:

▪ MR. CORNELL publishes a newsletter. Telephone 1 312 922 0900.

▪ KEELEY SMALL-CAP VALUE is a mutual fund that invests a significant portion of its assets in spin-offs. Telephone 1 312 706 3050, or, toll-free in the United States, 1 800 533 5344.

Washington Post Service

Arabian (White) Knight In Search of a Good Deal

Rich Saudi Prince Is a Bottom-Fishing Investor

By Andrew Blum

Like many investors, Prince Walid ibn Talal of Saudi Arabia is always on the lookout for an undervalued stock. But he may be one of the world's wealthiest bottom-fishers.

With about $3 billion in cash reserves and an estimated $12 billion in assets, the prince can afford to buy just about anything he wants. He can also take losses without panicking — he has said he once lost $640 million in a matter of hours on a particularly volatile day.

His holdings range from Citicorp to Donna Karan International Inc. to Apple Computer Inc. in the United States to companies in Saudi Arabia and Europe, where he has stakes in the Canary Wharf project in London, Mediaset of Italy and Euro Disney near Paris. The prince, 39, a nephew of Saudi Arabia's King Fahd, is also a hotelier, owning interests in Fairmont Hotels, the Plaza in New York, the Movenpick chain and the George V in Paris

PORTFOLIOS OF THE RICH & FAMOUS

"I've got a rule of thumb," said the prince, in summing up his philosophy. "Anything that's worth $4 billion and costs $1 billion, buy it."

To Tocqueville Asset Management's Robert Kleinschmidt, a New York portfolio manager for wealthy individuals and investors, Prince Walid is reminiscent of Warren Buffett. Mr. Kleinschmidt runs a $65 million fund and his company has more than $1 billion in overall investments managed, both for wealthy individuals and families, many of them foreign. He is familiar with the prince's style, as Tocqueville also seeks to invest in undervalued stocks. Additionally, like the prince, Tocqueville also bought into Citicorp when the bank-holding company's stock was in single-digit range in the early 1990s.

Despite that familiarity, Mr. Kleinschmidt said the prince's style is not 100 percent self-explanatory.

"It's not completely clear what his methodology is across-the-board, *but it* certainly seems to be he likes to look at depressedsituations and to come in as a white squire," he said, referring to a friendly investor who takes a significant minority stake in a troubled companyto keep it out of the hands of hostile bidders.

"Look at Citicorp, TWA, Euro Disney, Donna Karan, Apple, Motorola, to name a few," said Mr. Kleinschmidt. "Those are all classic depressed undervalued purchases."

On the other hand, Prince Walid has made investments that leave Mr. Kleinschmidt perplexed.

"Against that, you have Netscape and Planet Hollywood that do not seem to fit the same investing style," he said.

In any event, most of his investments are in large, high profile stocks that have had difficulty.

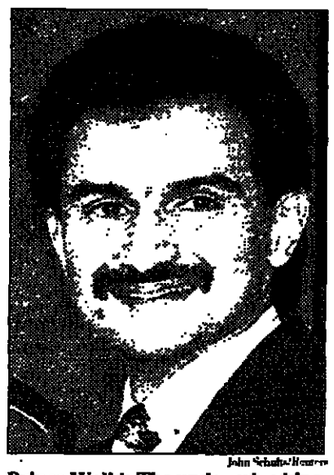
"He's a bottom-fisher," Mr. Kleinschmidt said.

And with such a big amount to invest in these companies, the prince is able to get good deals from the companies he buys into.

"In that sense, he's not terribly different in a way from Warren Buffett," *Mr. Kleinschmidt said. Mr. Buffet, the* Berkshire Hathaway Inc. chairman, has had success in such deals by "getting sweetheart investments not available to the general public," he added.

What this gives an investor like the prince is the opportunity to get a company's convertible preferred stock at an attractive price as the company negotiates with him, he said. The prince's $800 million investment in Citicorp may have been one of the biggest of those deals. He eventually sold part of his 1991 purchase for more than double what he paid.

The prince purchased $50.5 million of convertible bonds of Daewoo Corp. in October, giving him the right to buy 5.9 percent of the South Korean conglomerate. Given the recent market turmoil in Asia, Mr. Kleinschmidt said, "If he is buying Asian companies now it would not surprise me."



John Schults/Reuters

Prince Walid: The undervalue king.

For other affluent investors, Mr. Kleinschmidt said the prince's style of seeking undervalued companies has merit.

"*I think that makes a lot of sense,* particularly from the point of view of wealthy people who do not have a lot of downside risk," he said.

But for the average investor, the prince's style may not work so well. After all, said Mr. Kleinschmidt, it is not everyone who has $600 *million to* plunk down on one deal alone.

Yet average investors could learn from his approach. Instead of, say, looking for the next hot stock or a Microsoft Corp. in cocktail party conversations, Mr. Kleinschmidt said the undervalued approach may be a way to go.

"That, over time, has proven to be very rewarding," he added.

For Prince Walid, Mr. Kleinschmidt advised looking for more opportunities like Citicorp. The prince may be listening. During the recent global market turmoil, he bought stakes in News Corp., Netscape Communications Corp. and Motorola Corp.

A Wealth of Advice for the Well-to-Do

For Help With a Portfolio, Richest Clients Have an Abundance of Choice

By Conrad de Aenlle

THE WEALTHY are rich not only financially. They also have an abundance of choice of financial advisers eager to work for them: independent financial planners, stock brokers, fund-management companies and private banks.

Choosing a type of adviser and then an individual manager, depends on the complexity of an investor's financial affairs, the size of the portfolio, tolerance for risk and compatibility of the prospective manager's investing style and personality with the client's.

Personal portfolio management is a growing part of the repertoire of services offered by mutual-fund companies, whose target clients are not only the truly rich but also the modestly well-to-do.

"Most fund houses have portfolio management services *with a lower limit of* $100,000 to $200,000," said Diana Mackay, European head of Lipper Analytical Services, an independent mutual-fund research firm. "If you look at the prospectuses, what they're effectively doing is investing in their own funds, creating a portfolio that's mixed to suit you."

What suits the client suits the manager, too. At a time when switching from fund to fund is a sport among investors, fund providers find it desirable to offer a service that keeps clients' money in the fold and limits switching to a manager's discretion. Plus, they collect fees — one for the management of the individual funds and a second for the allocation service.

Still, competition in the industry is so keen that the allocation fee can run as low as 0.5 percent per year, which is not a high hurdle to overcome. Expenses for individual funds can add 1.5 percent or so annually for equity funds and up to 1 percent for bond funds, and there may be sales charges on top of that, although many managers waive those.

The drawback of using a fund company is that the portfolio will be selected from among its own range of funds. An exception is Rothschild Asset Management, which for as little as £10,000, or about $16,500, a manager will allocate assets among funds from inside and outside the Rothschild organization.

Financial advisers, either independent or tied to a bank or brokerage, and private banks can provide unbiased advice and create a customized portfolio. The cost will probably be higher than with fund companies, but so, probably, will be the level of service.

This is especially so at private banks, where the range of services encompasses asset management, trusts, tax planning, corporate finance for small business owners and so forth. To make the best use of a private bank, it helps to have at least several million dollars and complex financial affairs.

"The higher the asset base, the more complicated the person's requirements are," said a manager at a global private bank. "The growth of our business is in newly created wealth, and that wealth is much more dynamic because it's usually first-generation and the principals who made the money are still active."

Private bankers say such integrated financial services set them apart from others providing asset management and justify their higher fees. Yet when they discuss their fee structure, charges are based on individual services, not on a complete package, and they range from slightly higher to much higher than those of other institutions.

The average cost imposed by private banks in London and Geneva to run an actively managed $2 million portfolio is $70,000 to $80,000 per year, or 3.5 to 4.0 percent, according to a survey by Gemini Consulting, a global management consultancy.

Securities firms can easily beat those rates. A typical charge is 1 to 1.25 percent, but Evelyn Morgner, senior manager for investment planning at the consultancy KPMG, said that clients with portfolios of $5 million or more can often bargain a manager down to 0.8 percent or so, including the management fee and all other costs.

While private banks are fond of saying that they are best equipped to handle the many facets of rich clients' affairs, the distinctions are blurring. Merrill Lynch Asset Management, for instance, which offers discretionary management on portfolios above $1 million and handles $45 billion in such accounts, also provides access to loans and to trust and custody services.

The first step when prospective clients come to a large firm is an interview to assess their aims and expectations. At Merrill Lynch Asset Management, "a relationship manager does a thorough discussion and review of the client's risk parameters," said Paul Sarosy, the division's executive director. "He'll also look at what other assets the client has and get an understanding of the time horizon."

Clients should use the initial interview to make a thorough investigation of a potential manager. Ms. Morgner advises investors "to understand the background and experience of an organization, especially its experience in the private-client field."

"Are private-client assets under management significant?" she said. "Has the asset base been growing or slowing, or is it holding steady?"

Also vital, she said, is whether *a firm's* "philosophy is consistent with what a client is seeking."

No approach is necessarily better than others, although clients may feel more at ease with one. But a method should produce consistent returns throughout a cycle of rising and falling prices, and managers should be able to prove it.

"Clients should insist very strongly on performance information," Ms. Morgner said. "A firm will have performance numbers internally, and if it's not willing to display them to the outside world, that causes us concern."

"Clients should want to know that managers are going to give clear reports, typically *on a quarterly basis, showing* returns relative to a benchmark," she added, "and also commentary on portfolio activity, not just a list of transactions."

The Strictly Confidential Soros Quantum Theory

Continued from Page 15

Short-selling is characteristic of Mr. Soros's approach. He borrows stocks and sells them, hoping their prices will fall so that he can buy the shares back for less than he received.

Mr. Soros's current biggest U.S. holdings include MCI Communications Corp., Waste Management Inc., Burlington Northern Santa Fe Corp., and Schlumberger Ltd. (USA).

The Soros Fund Management portfolio is churned frequently, Mr. Krosinsky said. It has an average 500 stocks with a 76 percent weighting in large caps. The biggest holdings are in the services and technology sectors, each accounting for about 22 percent each.

One basic tenet of Mr. Soros's philosophy is to invest big. His biggest single deal — and one that made him a celebrity — was his $10 billion bet against the British pound in 1992. In his autobiography, "Soros on Soros," he explained why he believed the pound would be devalued despite the British government's claims to the contrary.

"I got my first hint from Bundesbank President [Helmut] Schlesinger after a speech," he said. "If you recall, the British government assured the public up to the last minute that [Europe's] exchange-rate Mechanism was rock solid. They may have influenced some investors, but they certainly didn't convince us."

To back his conviction that the pound was overvalued, he short-sold the pound and bought British, French and German interest-rate futures. Under pressure from the currency market, the Bank of England was forced to raise interest rates to 15 percent from 10 percent. The bank also used half its foreign-currency reserves in a bid to mop up pounds flooding into the market and maintain its value. But the pound was devalued by 15 percent against its European neighbors and fell out of the ERM.

In making his choices, Mr. Soros said he does not hold to the common belief that markets are always right.

"I take the opposite position," he wrote. "I assume that the markets are always wrong." This does not mean he simply bets against prevailing market trends. Despite its faults, the market will continue to grow provided investors expect it to. "Everyone starts to believe stocks only go up, so they all invest," he added. "Stocks go up. Perception and reality go hand in hand."

Mr. Soros seeks out the weaknesses *inherent in an investment thesis.*

"My sense of insecurity is satisfied when I know what the flaw is," he said. "It doesn't make me discard the thesis. Rather, I can play it with greater confidence because I know what is wrong with it, while the market does not."

Identifying such flaws allows Mr. Soros to make a judgment on when a market correction may happen. Sometimes he gets it wrong. In 1987, he failed to avoid the stock market crash and lost an estimated $800 million. In 1994, he guessed wrongly the outcome of U.S.-Japan trade talks, losing $600 million when the dollar fell against the yen.

This year, at the end of October, Soros Fund Management lost $2 billion in one day following a general stock-market plunge. Half these losses were suffered by the Quantum Fund.

George Van, president of Van Hedge Fund Advisers in the United States, said it was unlikely Mr. Soros was so secretive just because of the *need to keep arbitrage deals quiet.*

"The only reason I can think of for why he wants to exploit the SEC secrecy rule is that he doesn't want anybody trying to impersonate him," he said.

For further information:

▪ THE QUANTUM FUNDS are not offered to U.S. citizens or residents. Others can call 9 615 555 in the Netherlands Antilles, 44 171 925 2555 in Britain, or 1 212 262 6300 in the United States.

▪ BOOKS BY GEORGE SOROS: "The Alchemy of Finance," (John Wiley & Sons, 1994); "Opening the Soviet System" (Weidenfeld & Nicholson, 1990); Underwriting Democracy" (The Free Press, 1991), and "Soros on Soros: Staying Ahead of the Curve" (John Wiley & Sons, 1995).

Pitfalls Along the Road to Fame and Fortune

By Barbara Wall

THEY CAN EARN more money in a year than most people earn in a lifetime, yet many entertainers have financial problems. Ill-conceived business ventures, lavish spending and poor advice are just some of the pitfalls along the road to superstardom.

Entertainers tend to be uncomfortable talking about their finances. A British celebrity manager said that pop stars especially do not like to flaunt their wealth for fear of alienating fans.

"Stock-market investments and business ventures do not square-up to the bohemian lifestyle that most rock artists wish to portray," he said. "When David Bowie bonds were launched earlier in the year, Mr. Bowie's business aides underplayed the financial considerations behind the $55 million offering and instead focused on the originality of the initiative." Music royalties support the asset-backed issue.

Richard Rees Pulley, a partner with the London office of Ernst & Young, advises entertainers on tax-related matters.

"Celebrities are hypersensitive about revealing details of their personal wealth because of the negative attitude of local tax authorities," he said. "Tax laws are open to interpretation, and in Britain, at least, tax inspectors pursue celebrities in a very aggressive manner."

The path to fame and fortune can end in the bankruptcy courts. Recent casualties include the rap artists Luther Campbell and M.C. Hammer. Mr. Hammer was reported to owe more than $10 million.

"After struggling for years to make it commercially, new celebrities, *particularly pop stars, can* suddenly find themselves awash with cash," said Charles Bradbrook, a tax partner at Deloitte & Touche in London. "In such circumstances, there is a strong temptation to spend the money, but if it is tied up in property and business ventures or, worse still, frittered away, celebrities can find themselves stony broke when the tax demand eventually arrives."

Some celebrities have the foresight to seek financial advice early in their careers, but it can often fall short of the mark. According to Mr. Bradbrook, a common mistake is to invest a significant chunk of earnings in tax-advantaged retirement and insurance funds.

"If the celebrity is still fairly young, this type of long-term investment is probably not suitable as the money will be tied up for years," he said. "Generally, the careers of rock artists and film stars are notoriously short-lived."

So what approach is recommended?

"Most celebrities are wary of investing money in bonds and equities; they prefer to buy property or invest their money in deposit-based savings accounts," one investment adviser said. "I would caution against buying too many properties, as they can be a significant drain on resources and not particularly practical if the celebrity is away on tour a lot."

Mr. Bradbrook said the first thing a rising star should do is put a chunk of cash in a high-yield bank account to pay taxes.

"I would also suggest that a sum of money be set aside to buy a house, though it is often better to delay property purchase for a few years until clients are in a position to know exactly what they can afford," he added.

Stars can then consider long-term strategy.

"Depending on the individual's tolerance to risk, advisers may suggest investing a portion of the client's capital in equities," Mr. Bradbrook said. "Those individuals who are dependent on royalties from future record sales will generally be steered toward income-producing investments, such as bonds; it can take several years for royalties from overseas sales to come through."

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WORLD ROUNDUP

England Prevails

CRICKET Graham Thorpe hammered an unbeaten 66 to fire England to the Champions' Trophy with a three-wicket victory over West Indies in the final on Friday in Sharjah, United Arab Emirates.

England was faltering on 165 for six in pursuit of West Indies' 235 for seven in their 50 overs, but Thorpe, with all-rounder Matthew Fleming an effective ally, tilted the balance. They shared a match-winning seventh-wicket stand of 70, with Fleming blasting 34, as England secured victory at 239 for seven in 48.1 overs. Pakistan and India were eliminated from the four-team tournament after the round-robin stage. *(Reuters)*

Swedes Lead Whitbread

YACHTING EF Language of Sweden made the most of flukey winds Friday to regain the lead on the third leg of the Whitbread round-the-world yacht race.

The first-leg winner was sailing further south of Thursday's leader, Toshiba of the United States, and took the lead after fresh northwesterly winds helped it get up to speeds approaching 10 knots.

The nine-yacht fleet was expected to arrive in Sydney Harbor on Tuesday after leaving Fremantle, Western Australia, on Dec. 13.

The yachts will start the next leg of the journey — to Auckland — on Jan. 4, with the overall winner expected back in Southampton, England, on May 24. *(AP)*

Slovakia Makes a Bid

OLYMPICS Slovakia on Friday filed the first official bid to host the 2006 Winter Olympics.

Representatives of the Slovakian National Olympic Committee presented the application to the International Olympic Committee's president, Juan Antonio Samaranch, well ahead of the Feb. 1 deadline. The application focused on a resort area in the Tatra Mountains as a potential site for the games. *(AP)*

Moseley Masters Moguls

SKIING Jonny Moseley of the United States and Anja Bolbjerg of Denmark won the men's and women's moguls competitions at a World Cup freestyle skiing event Friday in La Plagne, France.

Moseley scored 26.28 points for his 10th career victory. He was second in another competition in nearby Tignes at the beginning of December.

In the women's event, Bolbjerg scored her first World Cup victory, after never being better than fifth in any previous competition. *(AP)*

Friedel Is Liverpool Bound

SOCCER The American goalkeeper Brad Friedel was cleared Friday to join Liverpool's soccer team when the Premier League club won its appeal to get him a work permit.

Liverpool officials said the Department of Employment, which had previously rejected Friedel's application, had accepted the club's appeal. Friedel had applied unsuccessfully three times before for a permit.

Liverpool agreed in October to pay $1.7 million to obtain Friedel's release from the Columbus Crew of U.S. Major League Soccer. *(AP)*

Aussies Battle To Final, Where Brazil Awaits

The Associated Press

RIYADH — Harry Kewell scored two minutes into extra time and Australia, which failed to qualify for the World Cup, advanced to the championship match of the FIFA Confederations Cup with a 1-0 victory over Uruguay on Friday.

Kewell found a gap in the Uruguayan defense and fired home from outside the penalty area.

On Sunday, the Oceania champions will take on Brazil, which beat the Czech Republic, 2-0, earlier in the day in

THE CONFEDERATIONS CUP

the first semifinal. Brazil and Australia played to a 0-0 draw in the first round of the tournament last Sunday.

The third-place match between Uruguay and the Czech Republic will be played Sunday before the final.

Uruguay, the 1995 Copa American champion which also failed to qualify for France, dominated most of the match and held possession. But the Australian defense did well to keep Nicolas Olivera and Alvaro Recoba at bay.

Uruguay looked the more likely team to score on several occasions but Olivera and Recoba wasted their chances.

The game headed into extra time after both teams withdrew into their own halves, unwilling to risk going forward.

Brazil went through to the final on second-half goals from Romario and Ronaldo.

Both teams played cautiously in the first half but Brazil had the more threatening chances, with Romario shooting over the bar of an open goal and Juninho and Leonardo bursting through the Czech defense several times.

Ronaldo, who was marked heavily throughout the match, was able to shrug off his marker in injury time of the first half and receive a ball that split the Czech defense from Romario, but his shot shaved the outside of the post.

Brazil pushed forward after the break, launching repeated attacks.

In the 54th minute, Atletico Madrid's Juninho played a through ball to Romario, who slotted it home to open the scoring.

Seven minutes before the end, Ronaldo got his first goal of the tournament, tapping the ball into Pavel Srnicek's net.

The match cost Brazil the services of Junior Baiano and Flavio Conceicao, who were injured in the second half and were replaced by Gonclaves and Cesar Sampaio.

The Czechs found it hard to cope with the Brazilian style of play, with Denilson's and Juninho's runs on the wings causing havoc.

■ Romario to Switch Clubs Again

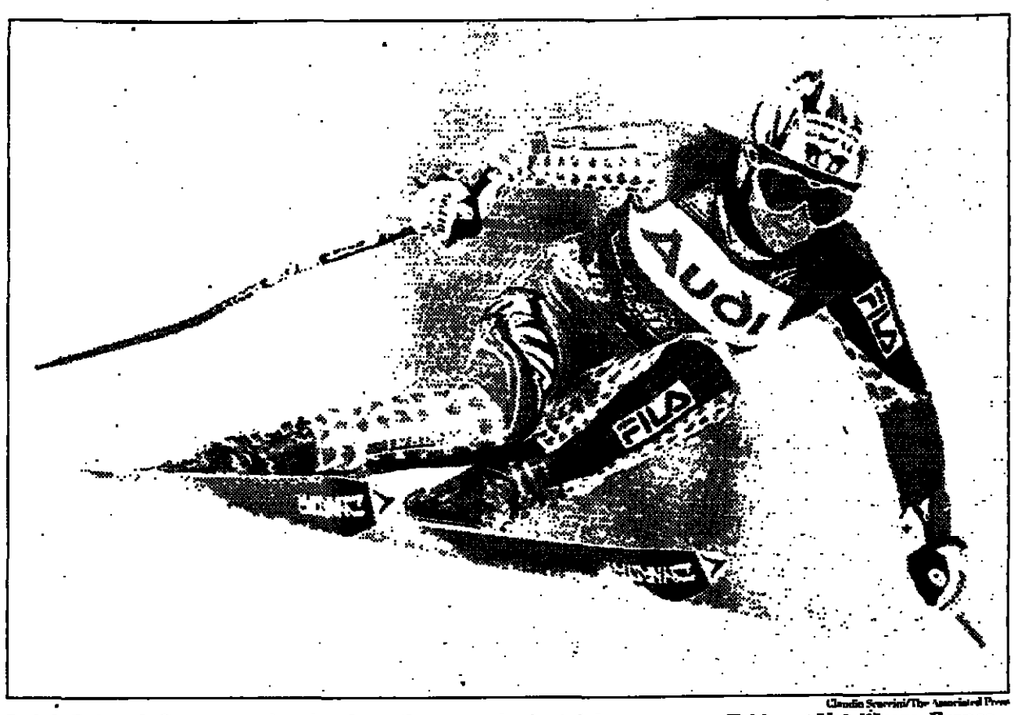
For the third time, Romario, 31, is leaving Spain's Valencia to join Flamengo of Rio, The Associated Press reported Friday, quoting Brazilian media reports.

Newspapers cited Kleber Leite, the Flamengo club president, as saying that Romario would sign a two-year contract on Jan. 4.

Valencia has "loaned" Romario to Flamengo three times since 1995, a year after he led Brazil to its fourth World Cup title.

Flamengo hopes Romario will be the answer to its lack of scoring last season, when it reached the semifinals of the national championship. For Romario, the transfer is a chance to showcase his talent and ensure a berth on the Brazilian team for next summer's World Cup in France.

The Brazilian striker Ronaldo kicking the ball while leaping over Petr Vlcek of the Czech Republic in a Confederations Cup semifinal in Riyadh.



Italy's Deborah Compagnoni racing down the women's giant slalom course on Friday at Val d'Isere, France.

Compagnoni Ends Seizinger's Streak

The Associated Press

VAL D'ISERE, France — Deborah Compagnoni kept her winning streak alive. But Katja Seizinger lost hers Friday as Compagnoni rallied from fourth place after the first run to win her eighth straight giant slalom.

Seizinger had the lead over Compagnoni by .65 of a second, despite injuring a hand during the first run. But shortly after the midway point of the second run, where she still led by .46 second, Seizinger hooked a gate, went off balance and skied off the course to end her victory streak at six races. Her streak tied Jean-Claude Killy's record for consecutive World Cup victories.

Seizinger's mistake gave Compagnoni the victory in 2 minutes, 18.83 seconds for the two runs. Compagnoni's second run was 1:09.66, almost a half-second better than the rest of the field.

Compagnoni has not lost in a giant slalom since January. She won the Olympic title in the event in 1994, as well as the last two world championships. Her streak is now seven World Cup races and the world title in Sestriere, Italy, in February.

"What is needed to beat me is an easy slope like this one, a speed slope, but I won anyway," she said. "This type of race favors the downhillers. I prefer the races with more turns."

"I was a little cautious on the first run, but it was still fast," she added.

It was the Italian's 15th career World Cup victory and her third this year. "Maybe it would be better to lose a World Cup race rather than lose at the Olympics," Compagnoni said.

This was her first race since Nov. 28 at Mammoth Mountain, California, when she was ninth in a parallel race.

Martina Ertl of Germany, who trailed Seizinger by just .01 second after the first run, made two major mistakes on the second run and finished 20th in 2:22.27.

"In the second run, the difficulty was I had to let go — there were more risks," Compagnoni said. "It was more difficult and that's what happened to the Germans. They went out."

Alexandra Meissnitzer of Austria took second place in 2:18.93, with Leila Piccard of France third in 2:20.02. Meissnitzer was also second to Compagnoni in the last giant slalom, in Park City, Utah.

Fourth went to another Austrian, Stefanie Schuster, in 2:20.37. Switzerland's Sonja Nef was fifth in 2:20.39, and Sonia Vierin of Italy was sixth in 2:20.55.

Pernilla Wiberg of Sweden, last year's World Cup winner, made her season debut in Val d'Isere after injuring a knee in October; she was ninth, in 2:21.27.

Despite the loss, Seizinger still has a commanding lead in the overall World Cup standings with 743 points; her German teammate Hilde Gerg is second, with 504 points.

Seizinger said she wanted to run the slalom on Saturday because she still had a chance for a victory in the combined. She is afraid of having an X-ray for fear of finding something broken or fractured.

Seizinger hit her left hand on one of the gates near the bottom of the first run and bent over in pain after finishing the run. The hand was taped, and she appeared cautious on the second before veering off course.

She said she had problems holding the pole and pushing off at the start of the second run. "But that wasn't the reason I went out," Seizinger said. "My right ski hit some snow, and I couldn't control it."

■ Fog Ruins Men's Downhill

Fog forced the cancellation Friday of the first of two World Cup downhill races in Val Gardena, Italy, after only 12 skiers could make it to the finish line.

It was the fourth speed race of the men's circuit canceled this season following adverse weather conditions.

In an effort to avoid further disruption to the World Cup program and complete it before the Winter Olympics in Nagano, Japan, in February, Cup officials later decided to have back-to-back downhills on Saturday.

Because bad weather was expected to continue in the area, organizers said they had three options.

The races would be either contested on the traditional 3,446-meter long distance, on a shortened course or in two-run sprints.

On Friday, the international jury initially shortened the course by 310 meters (1,023 feet) to reduce the most foggy section of the Saslong track.

The race was started nearly two hours behind schedule but was canceled when the fog returned.

Jean-Luc Cretier of France, the first skier to come down, led Fritz Strobl of Austria by 0.62 seconds before the decision to stop the race.

AJ Kitt of the United States, who started third, was 1.39 seconds slower than the Frenchman, who was timed in 1:56.03 minutes.

Rugby Battle In Australia Comes to End With a Merger

Compiled by Our Staff From Dispatches

SYDNEY — The three-year battle for control of rugby league in Australia was resolved Friday when Rupert Murdoch's Super League and the Australian Rugby League, or ARL, announced plans for a joint competition beginning in 1998.

The Super League and the ARL, the sport's traditional governing body, announced there would be a single 20-team competition next year, with 16 teams in a unified competition in 1999 and 14 in 2000.

News Ltd., the Australian media arm of Murdoch's News Corp., started the rebel competition at the beginning of 1997. Super League was part of a push to increase subscriptions to Murdoch's sports-driven global pay-television network, British Sky Broadcasting PLC, some analysts said.

Both sides have waged massive propaganda campaigns that reflect their contrasting styles and visions for the game: Super League glitz and glamour versus ARL grit and tradition.

Media analysts say the battle for control of rugby league in Australia has cost each side up to 400 million Australian dollars ($265 million).

The ARL and the Super League said existing teams would be encouraged to merge in the lead-up to the 14-team premiership in 2000. Super League ran a 10-team premiership in 1997 and the ARL a 12-team competition.

The agreement is subject to conditions covering funding guarantees from News Ltd. to the ARL and its clubs. The ARL has demanded written confirmation of the conditions by 5:00 P.M. Sunday.

The ARL said it and Super League would form a new company to administer the national rugby league competition. The company would be owned by the two sides on an equal share basis.

Neil Whittaker, the ARL's chief executive, said the agreement provided for both News Ltd. and the ARL to work together for the benefit of rugby league.

"Neither side has control over the other and both will be in a position where they will have to look to the good of the game," Whittaker said.

"Had we not ended this war, we believe we could have always produced the best rugby league competition in Australia, but we would have had to see the game continue to suffer enormous and perhaps irreparable damage," Whittaker said. "We could not, in any conscience, gamble the future of the game in such a way."

Some of the current 11 Sydney clubs will be encouraged to merge or fold after next year because the new company wants from six to eight teams in Australia's biggest city by 2000.

(AP, Reuters)

Japan Spares No Expense for Green Olympics

By Sonnie Efron
Los Angeles Times Service

NAGANO, Japan — When this once-sleepy temple town welcomes the world to the 1998 Winter Olympics 50 days from now, Japan's charms and quirks will be displayed as nakedly as the sumo wrestlers who will help open the Games.

The spectacle will not be cheap. Japan may set an Olympic record for spending. But in return, it hopes to generate some badly needed economic and psychological cheer when the festivities begin Feb. 7.

The city and prefecture of Nagano will shell out some $1.1 billion — more than twice what was spent for the 1996 Summer Games in Atlanta — on sports and housing facilities in Nagano and the five outlying towns that will hold Olympic events.

But Japan is spending a stunning $12.5 billion on miles of new highways, tunnels, bridges and a new bullet train that will whisk visitors from Tokyo to Nagano in 79 minutes, compared with the three-hour trip on the old trains. This spending tops even Barcelona's $7 billion Olympic building spree for the 1992 Games.

This public-works bonanza, coming amid an economic slump, has delighted many Nagano residents. But it has disgusted some taxpayers and driven a few environmentalists to despair.

Some residents were horrified when the old train station — a charming replica of Nagano's most famous landmark, the 16th-century Zenko-ji Temple — was demolished to build a huge, wheelchair-accessible station. Preservationists argued in vain that the old wooden building could have been incorporated into the new structure or moved aside to serve as a visitors' center.

Olympic organizers, meanwhile, have been making Herculean efforts to ward off every conceivable disaster, from massive traffic jams to telecommunications overload to the threatened obliteration of the food supply of an endangered species of mountain butterfly.

The warm winter blamed on El Nito has created fears that snowfall in Nagano might be lighter than usual. But organizers insist that there will be plenty of snow by February, at least in the surrounding mountains where the skiing and snowboarding events are to be held.

Fears of chaos are unfounded, they say, adding that the last construction will be finished with plenty of time to spare.

Organizers are billing Nagano as the most environmentally friendly Olympics ever — although local activists say the infrastructure frenzy has trampled many fragile species.

Nevertheless, with help from volunteers, eight times more trees have been planted than were felled for Olympic construction.

"We're not just planting trees — we're planting species that are native to the Japan Alps," said Yutaka Ota, spokesman for the organizing committee. "And we're not just planting saplings — we're planting big trees."

Environmentalists also strongly objected to a proposed men's downhill ski course that placed the starting gate within the grounds of a national park, prompting a bitter fight between Nagano organizers and the International Ski Federation.

A compromise course was forged earlier this month that will put the first stage of course just outside the rim of the park.

In the scenic mountain village of Hakuba, one of the skiing venues, grasses that are the food of the endangered Gifu butterfly were transplanted to save them from the bulldozers, said Kunihiro Kobayashi, a municipal government official.

When Hakuba built a huge new ski jump for the Games — the jump that was used in a World Cup event last January — topsoil from construction sites was carefully removed and then replaced once the construction was completed, Mr. Kobayashi said. Schoolchildren have been raising native trees from acorns for replanting.

"We really tried our best to minimize the damage," Mr. Kobayashi said.

ONLY people with designated parking spaces will be allowed to drive into Hakuba; others will have to use buses. Organizers say electric cars, 60 natural-gas vehicles and 41 energy-efficient hybrid buses will be shuttling people around Nagano in an attempt to keep smog from fouling the air.

In addition, the 900,000 paper plates that athletes and spectators will use are made partly with apple pulp so they will biodegrade, and plastic plates and cutlery will be recycled into oil. In addition, special equipment will be on hand to turn leftover food into fertilizer.

Even the uniforms that Olympic personnel will wear can be melted down to their original nylon — zippers, Velcro, sewing thread and all — and be reborn as new nylon products.

Still, the debate over the benefits of hosting the Olympics continues.

A citizens' group called People Who Don't Want the Olympics, headed by Masao Ezawa, a 47-year-old weaver, has calculated that the public debt after the Olympic-related construction is about $26,153 per Nagano household. "We're impoverishing ourselves for 20 years to pay for a two-week-long Olympiad," Mr. Ezawa said.

Not so, says a study by the Nagano Economic Institute, which calculates that the $13.6 billion cost will stimulate $17.8 billion in economic activity.

The spending on infrastructure "should have happened long ago," said Yuki Nagasawa, an innkeeper. "If it wasn't for the Olympics, the money would have gone somewhere else. Our roads were really backward."

Much as it did in the 1964 Tokyo Summer Olympics, which became a symbol of Japan's postwar economic rebirth, Japan hopes to use the Nagano Olympics to showcase its latest high-tech achievements.

These include computerized traffic-management systems and security systems that scan people's irises before allowing them entry to sensitive facilities.

The best of the new gee-whiz electronic gizmos, however, is a Dick Tracy-style telephone that looks like a wristwatch.

NTT, Japan's leading telecommunications company, will issue the experimental wrist phones to 40 Olympic officials. If all goes well, they will hit the market two years from now.

It is not clear exactly how many people will actually come to Nagano. As of early December, 80 percent of the 1.28 million event tickets had been sold — 100,000 of them overseas. Most of the popular events, such as skiing, figure skating and ice hockey, have long been sold out.

But each visitor could hold tickets to multiple events, and the new bullet train and highways now make it easier for Tokyo residents to take day trips to Nagano. With the economy at a standstill, local businesses are now worried that instead of the long-predicted hotel room crunch, there may be a hotel glut.

"The economy is bad, and though everyone says, 'Olympics, Olympics,' in fact, bookings are slow," said Masuko Maruyama, who has an inn in Hakuba. Her inn offers a natural hot-springs bath; a view of the ski jump and the mountains that rise behind, and rates that are cheap by Japanese standards (about $70 per person per night, including two meals and plenty of homemade local pickles). But the inn is fully booked only for the two nights of the big ski-jump events.

"I think a lot of people are planning to come up just for a day," she said.

HAKUBA, *population 9,200, attracts* about 3.7 million skiers and hot-springs aficionados each year, and it is now only an hour's bus ride from downtown Nagano, 30 minutes less than it used to be, thanks to the Olympic-inspired roadwork that includes four new tunnels cut through the mountains. But the number of skiers has fallen of late.

The town has one goal for the Olympics: to entice visitors to return. The local innkeepers' association has decreed that there must be no rate increases during the Olympics, although a few establishments are said to have raised their prices by a third or half, said Mr. Kobayashi, the municipal official.

"We can't force them, because compliance is voluntary, but on the whole, it seems to be working," he said. "We want people to think Hakuba was great, and come back."

■ Olympic Flame Sputters to Life

The flame that will burn at the Nagano Winter Olympics got off to a soggy start Friday in the ancient birthplace of the games, the Associated Press reported from Olympia, Greece.

Rain and near freezing temperatures forced officials to use a flame lighted earlier in the week to ignite the Olympic torch. Instead of using a burnished steel mirror to light the torch, a flame already burning in a clay urn was used.

Shivering as they conducted a ritual ceremony in the foggy ruins of the temples of Hera and Zeus, 18 young women dressed as high priestesses handed the torch to Vasillis Dimitriades, a Greek skier who is the first runner in a relay that will reach Nagano, Japan, on Feb. 7.

Before arriving in Athens, the torch will travel to two ski centers in southern Greece and leave the country for Japan on Monday. About 1,200 runners will carry the torch through all of Japan's 47 prefectures from Jan. 6 to Feb. 7.

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SPORTS

Eleventh Hour for Playoff Berths

By Thomas George
New York Times Service

Buffalo (6-9) at Green Bay (12-3) "It was important to make a statement to this team and the rest of the league that when you come to play us this late in the season, you better bring it all." The brash receiver Antonio Freeman said that after the Packers ripped Carolina, 31-10, last Sunday. Green Bay has not lost a December game in Lambeau Field since 1991. And the Bills enter with a minus 19 takeaway/giveaway differential. This will be a mismatch on Saturday. *Prediction: Packers, 35-7.*

St. Louis (4-11) at Carolina (7-8) Of the recent expansion teams, many thought that the Panthers were the one built for the present and the future. Well, it has blown up this season for the Panthers. Quarterback Kerry Collins talked last week about how the fans blamed him and how he didn't care. Not smart, Kerry. It's time to take care of business. On Saturday, he will. *Panthers, 30-17.*

Giants (9-5-1) at Dallas (6-9) The Giants, with the NFC East title in hand, go to Dallas, and the Cowboys must now give them a measure of respect, the Giants say. Don't count on it. Dallas is mad. Dallas is bruised. Dallas would love to embarrass the Giants just for good measure. Dallas would like to end the season the way it began, with a 37-0 thrashing of Pittsburgh. But the Giants are too proud for that. And their defense is too good. *Giants, 20-16.*

Pittsburgh (11-4) at Tennessee (7-8) The Pittsburgh offense can reach impressive franchise milestones in this game. Running back Jerome Bettis needs 26 yards for a club-record single-season rushing total (Barry Foster, 1,690, '92). Yancey Thigpen needs 82 yards for a single-season receiving total (John Stallworth, 1,395, '84). *Steelers, 23-17.*

Philadelphia (6-8-1) at Washington (7-7-1) The Eagles have wilted on Coach Ray Rhodes. Though quarterback Bobby Hoying may be the man for the future, for the present he simply serves as a bandage. A Redskins' victory, with a little luck, gives Washington a playoff berth. *Redskins, 17-10.*

Indianapolis (3-12) at Minnesota (8-7) The Vikings have lost five straight, and they battle the Colts at a time when, *finally, the Colts are playing the* caliber of football expected from the start. But with a playoff berth at stake, that should work in favor of Minnesota. *Vikings, 24-10.*

New Orleans (6-9) at Kansas City (12-3) The Saints have produced a nice turnaround after a dismal start. They are minus-19 in takeaway/giveaway differential for the season, but plus-seven in their six victories. That won't matter, though, against Kansas City at home. *Chiefs, 27-9.*

Chicago (4-11) at Tampa Bay (9-6) Despite an embarrassing 31-0 loss to the Jets last week, Tampa Bay has made the playoffs. If it wins this game or Detroit and Minnesota lose, it would host its first playoff game in 17 years. *Buccaneers, 19-6.*

Baltimore (6-8-1) at Cincinnati (6-9) The Bengals' running back Corey Dillon leads all NFL rookies with 1,609 rushing yards. He'll get a few more against the Ravens. *Bengals, 26-20.*

Jets (9-6) at Detroit (8-7) The Lions have the league's top rusher (Barry Sanders, 1,869 yards) and the league's top receiver (Herman Moore, 100 catches). Sanders needs 131 yards to reach 2,000 on the season. If he makes it, he will be only the third player in league history to accomplish that and the first since O. J. Simpson in 1973. The Jets offense cannot keep pace. *Lions, 23-13.*

San Diego (4-11) at Denver (11-4) Denver needs its quarterback, John Elway, to begin limiting his mistakes and making even more plays. It needs a victory, a big one, for confidence. It will get it. *Broncos, 33-13.*

Jacksonville (10-5) at Oakland (4-11) The Raiders on defense have been lackluster all season long. No reason to *believe that will change against an* exuberant, playoff-bound team. *Jaguars, 27-17.*

Atlanta (7-8) at Arizona (3-12) The Falcons' Chris Chandler has thrown at least one touchdown pass in 11 straight games, quite a mark of consistency for a player regarded around the league as one who can be sidelined at the smallest hit. Make it six straight for Atlanta. *Falcons, 17-12.*

San Francisco (13-2) at Seattle (7-8) Seattle wins this game for three reasons: 1) Warren Moon starts in what could be his final pro game; 2) Seattle, *under the bright lights of national* television, will peak for the home crowd; 3) Dennis Erickson will have his team flying in a last-ditch attempt to save his job. *Seahawks, 28-13.*

New England (9-6) at Miami (9-6) If the Jets beat Detroit on Sunday, then the winner of this Monday night game goes to the playoffs and the loser goes home. All or nothing. It boils down to turnovers. New England has forced 31, Miami 25. *Patriots, 29-27.*

NFL Matchups

Panthers Get 4-0 Victory Over Caps

The Associated Press

John Vanbiesbrouck made 26 saves as the Florida Panthers snapped a three-game losing streak with a 4-0 victory over the Washington Capitals.

Visiting Florida broke

NHL Roundup

Thursday night's game open by scoring three goals in a stretch of 6:05 during the third period by Ed Jovanovski, Radek Dvorak and Steve Washburn.

The Capitals are now winless in their last six games, having gone 0-3-3 since scoring a 3-2 overtime victory over the Panthers in the MCI Center's inaugural game on Dec. 5.

Flyers 2, Bruins 2 Joel Otto's first goal of the season *early in the third period* gave host Philadelphia a tie with Boston.

Otto, who hadn't scored since March 23, got the puck behind the net and jammed a wraparound off the stick of Bruins goaltender Rob Tallas at 4:04.

Eric Lindros scored the first goal for the Flyers, while Boston got goals from Dmitri Khristich and Per Axelsson.

Doug Mills The Associated Press

The Panthers' Steve Washburn, left, celebrating after scoring as Florida ended a three-game losing streak.

Senators 3, Hurricanes 2 Derek Armstrong, called up from the minors earlier this month, scored the game-winner at 7:12 of the third period as Ottawa beat visiting Carolina.

Blues 4, Devils 4 Denis Pederson scored midway through the third period to help visiting New Jersey overcome a two-goal deficit and tie St. Louis.

Stars 2, Flames 1 In Calgary, Jere Lehtinen scored the game-winner and Ed Belfour made 23 saves as Dallas snapped the Flames' four-game winning streak.

Lehtinen's power-play goal 5:57 into the second period gave Dallas a 2-0 lead as Belfour gained his 19th win and lowered his goals-against average to 1.83.

Canucks 0, Sharks 0 Arturs Irbe stopped 38 shots to help visiting Vancouver tie San Jose. The Canucks-Sharks scoreless game came one night after Chicago and Edmonton played to a 0-0 tie on Wednesday night.

Kings 5, Maple Leafs 2 Jozef Stumpel set up two first-period goals by winning faceoffs deep in the Toronto zone and scored himself in the third period as host Los Angeles beat the Maple Leafs.

Malone's 30 Leads Jazz Past Magic

The Associated Press

Karl Malone scored 30 points and the Utah Jazz broke open a close game with a 13-0 run in the second half to pull away from the Orlando Magic, 85-73.

The NBA's second-leading scorer didn't have a basket during the seven-minute stretch in which the visiting

NBA Roundup

Jazz took control in Thursday night's game, but delivered 9 of his team's final 11 points down the stretch.

Suns 89, Mavericks 75 Antonio McDyess scored 10 of his 14 points during a third-quarter surge and Phoenix sent host Dallas to its seventh straight defeat.

Clippers 82, Warriors 78 Brent Barry scored 17 points in the first quarter, and Lamond Murray made four free throws in the final 17 seconds to preserve the Clippers' victory over visiting Golden State.

Sonics 119, Nuggets 106 Vin Baker had 18 points and 10 rebounds as host Seattle defeated Denver for its fifth straight victory. Six Sonics scored in double figures, helping Seattle win its 11th consecutive home game and improve its record to an NBA-best 20-5.

SCOREBOARD

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
New Jersey	23	9	1	47	102	62
Philadelphia	19	9	7	45	99	78
Washington	15	13	7	37	101	97
N.Y. Islanders	14	15	5	33	93	89
N.Y. Rangers	10	15	11	31	94	101
Florida	12	18	5	29	88	106
Tampa Bay	7	21	5	19	60	103

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	18	10	7	43	96	81
Montreal	18	13	4	40	103	88
Boston	16	13	6	38	88	88
Ottawa	15	16	4	34	87	82
Carolina	13	17	5	31	91	98
Buffalo	10	16	6	26	80	93

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	23	9	4	50	116	76
Detroit	19	9	7	45	113	87
St. Louis	20	12	4	44	105	85
Phoenix	13	15	6	32	89	97
Toronto	11	17	5	27	75	91
Chicago	10	17	7	27	72	86

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	18	8	10	46	107	90
Los Angeles	13	14	6	32	97	96
San Jose	13	18	4	30	87	98
Anaheim	12	16	6	30	78	101
Edmonton	11	16	8	30	82	101
Vancouver	11	19	5	27	103	117
Calgary	10	19	7	27	92	107

THURSDAY'S RESULTS

Florida	0	1	3—4
Washington	0	0	0—0

1st Period: None. 2d Period: F-Jovanovski 3 (Mellanby, Sheppard) 3d Period: F-Dvorak 3 (Muller, Gagner) 3, F-Washburn 7 (Mellanby, Sheppard) 4, F-Muller 2 (Gagner, Dvorak) Shots on goal: F- 11-6-14—31. W- 11-6-9—26. Goalies: F-Vanbiesbrouck. W-Kolzig.

Carolina	1	0	1—2
Ottawa	0	0	2—3

1st Period: Carolina, Chiasson 4 (O'Neill, Emerson) (pp). 2d Period: O-McEachern 12 (Yashin) 3, O-, Lambert 5 (Bonk, Redden) 2d Period: Carolina, Roberts 8 (Primeau, Brown). 5, O-Armstrong 1 (Van Allen, Laaksonen) Shots on goal: C- 5-4-6—15. O- 15-14-7—36. Goalies: C- Kidd. O-Rhodes.

Boston	1	1	0 0—2
Philadelphia	1	0	1 0—2

1st Period: P-Lindros 15 (Brind'Amour, Therien) 2, B-Axelsson 3 (DiMaio) 2d Period: B-Khristich 10 (Samsonov) 3d Period: P-Otto 1 (Desjardins, Forbes) Overtime: None. Shots on goal: B- 8-9-6-1—24. P- 9-10-10-1—30. Goalies: B-Tobias. P-Hextall.

New Jersey	2	0	2 0—4
St. Louis	2	1	1 0—4

1st Period: S.L.-York 3 (Rheaume, Campbell) 2, N.J.-McKay 10 (Holik, Gilmour) (pp). 3, S.L., Yake 5 (Turgeon, Pronger) (pp). 4, N.J.-Thomas 4 (Stevens, Zelepukin) 2d Period: S.L.-York 4, 3d Period: S.L.-Turgeon 3 (Courtnall, Duchesne) (pp). 7, N.J.-Gilmour 8 (Odelein, Guerin) 8, New Jersey, Pederson 6 (McKay, Thomas) Overtime: None. Shots on goal: N.J.- 5-5-8-1—19. S.L.- 6-7-9-2—24. Goalies: N.J.- Donham. S.L.-Fuhr.

Dallas	1	1	0—2
Calgary	0	1	0—1

1st Period: D-Hrkac 2 (Adams, Verbeek) 2d Period: D-Lehtinen 10 (Zubov, Langenbrunner) (pp). 3, C-Tkov 9 (Fleury, O'Sullivan) (pp). 3d Period: None. Shots on goal: D- 5-6-7—20. C- 15-6-3—24. Goalies: D- Belfour. C-Tabaracci.

Vancouver	0	0	0 0—0
San Jose	0	0	0 0—0

1st Period: None. 2d Period: None. 3d Period: None. Overtime: None. Shots on goal: V- 10-6-5-0—21. S.J.- 12-13-10-3—38. Goalies: V-Irbe. S.J.-Vernon.

Toronto	1	1	0—2
Los Angeles	3	0	2—6

1st Period: L.A.-Meger 5 (Kozlov, Stumpel) 2, T-Berezin 10 (Smith, Sullivan) 3, L.A., Blake 5 (Stumpel) (pp). 4, L.A.-Courtnall 2 (Bykov, LaFayette) 2d Period: T-Korolev 13 (Sundin) (sh). 3d Period: L.A.-Lafayette 1 (Tsyplakov, Norstrom) 7, L.A.-Stumpel 9 (Robitaille, Murray) (pp). Shots on goal: T- 11-11-10—32. L.A.- 17-10-11—38. Goalies: T- Potvin. Cousineau, Potvin. L.A.-Fiset.

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	15	8	.652	—
Orlando	16	9	.640	—
New York	14	10	.583	1½
New Jersey	13	10	.565	2
Boston	11	12	.478	4
Washington	11	14	.440	5
Philadelphia	6	16	.273	8½

CENTRAL DIVISION

Atlanta	19	5	.792	—
Charlotte	15	7	.682	3
Cleveland	15	8	.652	3½
Indiana	15	8	.652	3½
Chicago	15	9	.625	4
Milwaukee	11	12	.478	7½
Detroit	11	14	.440	8½
Toronto	2	22	.083	17

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	13	7	.650	—
Utah	15	9	.625	—
San Antonio	14	10	.583	1
Minnesota	10	13	.435	4½
Vancouver	9	16	.360	6½
Dallas	5	19	.208	10
Denver	2	21	.086	12½

PACIFIC DIVISION

Seattle	20	5	.800	—
L.A. Lakers	18	6	.750	1½
Phoenix	14	8	.636	4½
Portland	13	9	.591	5½
Sacramento	8	16	.333	11½
Golden State	5	17	.227	13½
L.A. Clippers	5	20	.200	15

THURSDAY'S RESULTS

Utah	18	19	29	19— 85
Orlando	28	19	21	13— 73

U: Malone 11-27 8-8 30, Keefe 5-7 1-2 11; O: Seikaly 6-16 8-8 20, Armstrong 5-10 2-2 14. Rebounds—Utah 59 (Osterlag 10), Orlando 45 (Seikaly 10). Assists—Utah 22 (Malone 5, Stockton 5), Orlando 20 (Harper 6).

Phoenix	12	26	32	19— 89
Dallas	18	12	23	22— 75

P: Robinson 7-17 3-3 17, McDyess 7-16 0-0 14; D: Pack 10-17 2-4 23, Finley 8-19 2-3 18. Rebounds—Phoenix 59 (McDyess 14), Dallas 62 (Walker 16). Assists—Phoenix 15 (Chapman, Nash 4), Dallas 17 (Finley 4).

Denver	24	26	19	37—106
Seattle	32	28	29	30—119

D: Washington 7-12 3-5 18, Lellis 4-8 5-6 13, Jackson 6-20 0-0 13; S: Baker 9-14 0-1 18, Schrempf 3-9 10-12 16, Payton 5-9 5-8 16. Rebounds—Denver 52 (Lellis 8), Seattle 54 (Baker 10). Assists—Denver 20 (Jackson 7), Seattle 32 (Payton, Anthony 8).

Golden State	13	26	16	22—77
L.A. Clippers	33	18	20	19—92

V: Smith 8-20 3-3 19, Delk 7-15 0-0 14; L.A. Clippers: Barry 9-17 1-1 23, Murray 6-13 6-8 19. Rebounds—Golden State 66 (Dampier 14), Los Angeles 52 (Wright 17). Assists—Golden State 12 (Bogues 5), Los Angeles 13 (Barry 4).

Major College Scores

Kansas 96, Pepperdine 83
UCLA 90, Northern Arizona 68
Arkansas 61, Centenary 48
Syracuse 82, Buffalo 70

EuroLeague

FINAL ROTATION OF PRELIMINARY ROUND

GROUP A

Efes Pilsen Istanbul 71, CSKA Moscow 63
Real Madrid 75, Limoges 62
Olympiakos 71, Maccabi Tel Aviv 76

STANDINGS: *Olympiakos 17 points; Efes* Pilsen 16; CSKA Moscow 15; Maccabi Tel Aviv 15; Real Madrid 14; Limoges 13.

GROUP B

Estudiantes Madrid 86, Oporto 63
Benetton Treviso 85, Croatia Split 70
PAOK Salonika 72, Turk Telecom 63

STANDINGS: Benetton Treviso 19 points; PAOK Salonika 16; Estudiantes Madrid 16; Turk Telecom 15; Croatia Split 14; Porto 10.

GROUP C

Pau-Orthez 74, Partizan Belgrade 70
Ulker Istanbul 66, Kinder Bologna 68
Barcelona 68, Hapoel Jerusalem 65

STANDINGS: Kinder Bologna 19 points; Barcelona 17; Pau Orthez 15; Partizan Belgrade 14; Ulker Istanbul 13; Hapoel Jerusalem 12.

GROUP D

Teamsystem Bologna 77, Olimpia Ljubljana 61
Alba Berlin 60, AEK Athens 67
Paris St Germain 65, Cibona Zagreb 71

STANDINGS: AEK Athens 16 points; Teamsystem Bologna 16; Alba Berlin 15; Cibona Zagreb 15; Olimpija Ljubljana 14; Paris St Germain 14.

CRICKET

CHAMPIONS TROPHY FINAL
WEST INDIES VS. ENGLAND
FRIDAY IN SHARJAH

West Indies: 235-7 in 50 overs
England: 239 for seven in 48.1 overs
England won by three wickets.

AUSTRALIA A VS. SOUTH AFRICA
FOUR DAY MATCH, 1ST DAY
FRIDAY IN BRISBANE

South Africa: 242 for seven

SKIING

World Cup

WOMEN'S GIANT SLALOM
FRIDAY IN VAL D'ISERE, FRANCE

1. Deborah Compagnoni, Italy, 2 minutes, 18.83 seconds (1:09.17 - 1:09.66); 2. Alexandra Meissnitzer, Austria 2:18.93 (1:08.79 - 1:10.14); 3. Leila Piccard, France 2:20.02 (1:09.24 - 1:10.78); 4. Stefanie Schuster, Austria 2:20.37 (1:09.44 - 1:10.93); 5. Sonja Nef, Switzerland 2:20.39 (1:09.57 - 1:10.82); 6. Sonia Vierin, Italy 2:20.55 (1:09.94 - 1:10.61); 7. Andrine Flemmen, Norway 2:20.72 (1:09.60 - 1:11.12); 8. Ana Santolaria, Spain 2:21.02 (1:09.62 - 1:11.40); 9. Pernilla Wiberg, Sweden 2:21.27 (1:10.09 - 1:11.18); 10. Anita Wachter, Austria 2:21.29 (1:10.12 - 1:11.17).

GIANT SLALOM *(after 2 events):* 1. Compagnoni, 300; 2. Meissnitzer, 176; 3. Andrine Flemmen, Norway, 132; 4. Martina Ertl, Germany, 131; 5. Nef, 108; 6. Piccard, 101; 7. Karin Roten, Switzerland, 92; 8. Wachter, 87; 9. Martina Fortkord, Sweden, 80; 10. Schuster, 74.

OVERALL *(after 12 events):* 1. Katja Seizinger, Germany, 743 points; 2. Hilde Gerg, Germany, 504; 3. Meissnitzer, 461; 4. Ertl, 421; 5. Isolde Kostner, Italy, 395; 6. Renate Goetschl, Austria, 361; 7. Compagnoni, 343; 8. Piccard, 241; 9. Ylva Nowen, Sweden, 233; 10. Heidi Zurbriggen, Switzerland, 218.

SOCCER

Confederations' Cup

FRIDAY IN RIYADH, SAUDI ARABIA
SEMIFINALS

Brazil 2, Czech Republic 0
Australia 1, Uruguay 0, golden goal in OT

Final: Australia vs. Brazil on Sunday; 3d-place playoff: Czech Republic vs. Uruguay

FRENCH FIRST DIVISION

Le Havre 1, Nantes 0
Metz 3, Monaco 0

STANDINGS: Metz 42 points; Monaco 41; Paris St Germain 38; Marseille 37; Lens 34; Bordeaux 32; Auxerre 30; Bastia 29; Lyon 26; Toulouse 25; Montpellier, Guingamp 24; Nantes 23; Le Havre 22; Chateauroux 19; Strasbourg 18; Rennes, 17; Cannes 17.

SPANISH FIRST DIVISION

Valencia 1, Deportivo Coruna 0

TRANSITIONS

BASEBALL
NATIONAL LEAGUE

ARIZONA—Sold the rights of OF Harvey Pulliam to Orix of the Japanese Pacific League.

HOUSTON—Agreed to terms with C Tony Eusebio on 1-year contract.

PITTSBURGH—Agreed to terms with OF Turner Ward on 2-year contract.

SAN FRANCISCO—Signed C Brian Johnson to 1-year contract.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

DALLAS—Waived G Kevin Ollie. Signed C Eric Riley.

GOLDEN STATE—Activated F Dickey Simpkins from injured list. Put F David Vaughn on injured list.

PHILADELPHIA—Traded G Jerry Stackhouse and C Eric Montross to Detroit for C Theo Ratliff, G Aaron McKie and 1st-round draft choice.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

BUFFALO—Placed WR Andre Reed on injured reserve. Signed WR Jerry Reese from practice squad.

CINCINNATI—Signed NT Kimo von Oelhoffen to 2-year contract extension.

KANSAS CITY—Claimed DT Michael Dean Perry off waivers from Denver Broncos.

N.Y. JETS—Claimed S Anthony Marshall off waivers from Chicago.

OAKLAND—Put FB Harvey Williams on injured reserve. Signed DT Tarase Framiel.

PITTSBURGH—Signed OT Curtis McGee to practice squad. Waived TE D.J. Jones.

ST. LOUIS—Released C Bern Brostek. Signed DT Chris Maumalanga.

SAN DIEGO—Put CB Dwayne Harper and RB Terrell Fletcher on injured reserve.

HOCKEY
NATIONAL HOCKEY LEAGUE

BOSTON—Recalled LW Andre Roy to Providence, AHL. Recalled C Cameron Mann from Providence.

COLORADO—Recalled C Josef Marha from Hershey, AHL.

COLORADO—Assigned C Josef Marha and G Marc Denis to Hershey, AHL.

DALLAS—Recalled G Roman Turek and RW Jeff Mitchell from Michigan, IHL. Assigned G Manny Fernandez to Michigan.

FLORIDA—Returned C Ryan Johnson to New Haven, AHL.

LOS ANGELES—Recalled G Jamie Storr from Long Beach, IHL. Sent G Frederic Chabot to Houston, IHL. Recalled C Nathan LaFayette from Fredericton, AHL. Assigned C Roman Vopat to Fredericton.

N.Y. RANGERS—Recalled F P.J. Stock from Hartford, AHL.

PHOENIX—Recalled D Sean Gagnon from Springfield, AHL.

TAMPA BAY—Recalled RW Paul Brousseau from Adirondack, AHL.

WASHINGTON—Assigned G Sebastien Charpentier to Hampton, ECHL.

COLLEGE

BIG WEST—Invited Arkansas State to join conference for football.

ALABAMA STATE—Named Ron Dickerson football coach.

BROWN—Announced resignation of Mark Whipple, football coach, so he can accept the same position at Massachusetts. Named Phil Estes football coach.

INDIANA—Announced sophomore basketball C Jason Collier has left team and will transfer.

KENT—Named Dean Pees football coach.

MISSOURI SOUTHERN—Named Gordon Gregory football coach.

NORTHERN ARIZONA—Announced the resignation of Steve Axman, football coach.

OHIO UNIVERSITY—Announced F Shaun Stonerook has transferred from Ohio State.

ST. JOHN'S—Dismissed freshman F James Felton from the mens basketball team for repeated violations of team policy.

The Week Ahead

Saturday, Dec. 20

BIATHLON, Kontiolahti, Finland — World Cup, to Dec. 21.

FIGURE SKATING, Munich, Germany — ISU Champions Series Final, to Dec. 21.

GOLF, Henderson, Nevada — men, women, U.S. PGA Tour, U.S. Senior PGA Tour, U.S. LPGA, Wendy's Three-Tour Challenge, to Dec. 21; La Quinta, California — men, Lexus Challenge (seniors), to Dec. 21.

RUGBY UNION, Bologna, Italy — Italy vs. Ireland, test.

SAILING, Perth, Australia — men, women, World Windsurfing Championships, to Dec. 24.

SKI JUMPING, Engelberg, Switzerland — World Cup, thorugh Dec. 21.

SKIING, La Plagne, France — Freestyle World Cup, moguls, duel moguls, to Dec. 20. Davos, Switzerland — skiing, men, women, Nordic World Cup, cross-country, men's 30K classical, women's 15K classical. Alpine Skiing: Val Gardena, Italy — men, World Cup, downhill; Val d'Isere, France — women, slalom, combined, to Dec. 21.

SOCCER, Riyadh, Saudi Arabia — Confederations Cup, to Dec. 21.

Sunday, Dec. 21

SKIING, Alta Badia, Italy — men, Alpine World Cup, giant slalom.

Monday, Dec. 22

SKIING, Madonna di Campiglio, Italy — men, Alpine World Cup, slalom.

FOOTBALL, New York — NFL regular season ends.

Tuesday, Dec. 23

CRICKET, Guwahati, India — India vs. Sri Lanka, first one-day international.

Wednesday, Dec. 24

No major sporting events.

Thursday, Dec. 25

CRICKET, Gwalior, India — India vs. Sri Lanka, second one-day international.

BASKETBALL, Tel Aviv — East vs. West, Eurostars match.

FOOTBALL, Honolulu — NCAA, Aloha Bowl; Birmingham, Alabama — Blue-Gray Classic.

ICE HOCKEY, Helsinki and Hameenlinna, Finland — Junior World Ice Hockey Championship, to Jan. 3, 1998.

Friday, Dec. 26

CRICKET, Melbourne — Australia vs. South Africa, first test, to Dec. 30.

HORSE RACING, Kempton, England — King George VI Chase.

Saturday, Dec. 27

SKIING, Lienz, Austria — women, Alpine World Cup, slalom and another slalom on dec. 28.

FOOTBALL, various sites — NFL wild card playoffs, to Dec. 28.

Sunday, Dec. 28

CRICKET, Calcutta, India — women, Women's World Cup, final.

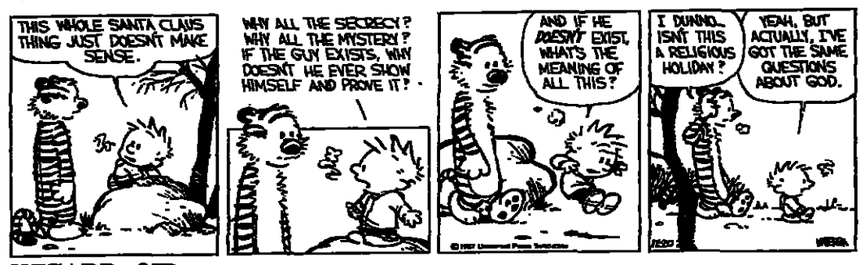
ATHLETICS, Durham, England — World Cross Challenge.

SKIING, Oberwiesenthal, Germany — World Cup, nordic combined.

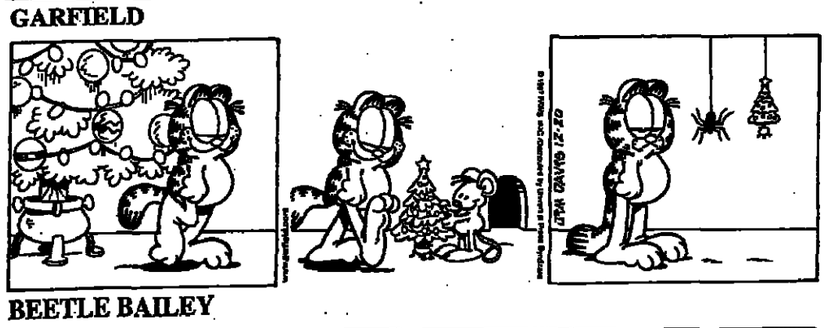
DENNIS THE MENACE

PEANUTS

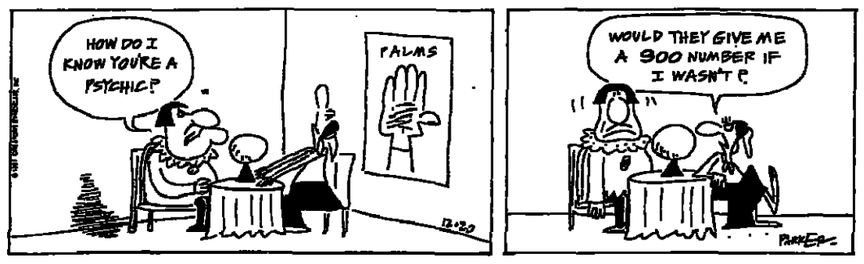
CALVIN AND HOBBES



GARFIELD



WIZARD of ID



BEETLE BAILEY

NON SEQUITUR

DOONESBURY

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KYDUS

TACCH

ENTAUB

TUCLED

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here :

(Answers Monday)

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DAVE BARRY

That Extra 'U' the British Like

MIAMI — Once again our glands are swollen with pride as we present "Ask Mister Language Person," the column that answers your common questions about grammar, punctuation and sheep diseases. Mister Language Person is the only authority who has been formally recognized by the American Association of English Teachers on Medication. ("Hey!" were their exact words. "It's YOU!")

So without farther adieu, let us turn to our first question, which comes from a reader who has just returned from a trip to England.

Q. I have just returned from a trip to England, and . . .

A. We KNOW that. Get to the point! You're wasting space!

Q. O.K., sorry. Anyway, I have just returned from a trip to England, and I noticed that the English put an extra "u" in certain words, such as "rumour," "humour" and "The Roulling Stounes." Also they call some things by totally different names, such as "lift" when they mean "elevator," "bonnet" when they mean "lorry" and "twit" when they mean "former Vice President Quayle." My question is, don't they have any dentists over there?

Think of 'rumour' 'humour' and 'The Roulling Stounes.'

A. Apparently nout.

Q. Please explain the correct usage of the word "neither."

A. Grammatically, "neither" is used to begin sentences with compound subjects that are closely related and wear at least a size 24, as in: "Neither Esther nor Bernice have passed up many Ding Dongs, if you catch my drift." It may also be used at the end of a carnivorous injunction, as in: "And don't touch them weasels, neither."

Q. My husband and I recently received a note containing this sentence: "Give us the money, or you seen the last of you're child." I say that the correct wording should be "you have done seen the last of you're child," but my husband, Warren, insists it should be "you have been done seeing the last of you're child." This has become a real bone of contention, to the point where Warren refuses to come out of the utility shed. What do you think?

A. We think that an excellent name for a band would be: "The Bones of Contention."

Q. As an employee of the Internal Revenue Service, I have been tasked with the paradigm of making our income-tax forms more "user friendly" for the average American citizen, who according to our research has the IQ of a sugar beet. I am currently working on this sentence from the form 1040 instructions: "A taxpayer who dies prior to the fourth trimester of the previous nonexempt year must, within 10 fiscal days of kicking the bucket, file Form 94-82348-RIP, which has not been available since the Eisenhower administration." How can I make this sentence less confusing?

A. According to the Association of Professional Tax Professionals, a much clearer wording would be: ". . . which has not been available since the Eisenhower administration (1952-60)."

Q. When should I say "phenomena," and when should I say "phenomenon"?

A. "Phenomena" is what grammarians refer to as a "subcutaneous invective," which is a word used to describe skin disorders, as in "Bob has a weird phenomena on his neck shaped like Ted Koppel." Whereas "phenomenon" is used to describe a backup singer in the 1957 musical group "Duane Furlong and the Phenomenons."

Q. What was their big hit?

A. "You Are the Carburetor of My Heart."

Q. What is the most fascinating newspaper photograph caption you have ever seen?

A. That would be the caption to a 1994 photograph from the Billings, Montana, Gazette, sent in by alert reader David Martin. The photo, which accompanies a very serious story on efforts to end the civil war in Angola, shows some bikini-clad women on a beach, looking at a man who is holding a monkey. The caption states, in its entirety: "An Angolan carries his pet monkey Sunday on a beach in Angola as leaders of the country sign a new peace agreement."

Q. Can you please reprint the top two headlines from the cover of the October 1996 issue of Reader's Digest?

A. Certainly: FIRM UP YOUR BOTTOM

You Can Raise Your Child's IQ

Q. In Publication No. 51 of the U.S. Postal Service, which was sent in by alert reader Oljan Repic, how is the term "Special Handling" defined?

A. It is defined as "a service that is optional except when mailing honeybees to Canada."

TODAY'S BUSINESS WRITING TIP: In writing proposals to prospective clients, be sure to clearly state the benefits they will receive:

WRONG: "I sincerely believe that it is to your advantage to accept this proposal."

RIGHT: "I have photographs of you naked with a squirrel."

GOT A QUESTION FOR MISTER LANGUAGE PERSON? That is not our problem.

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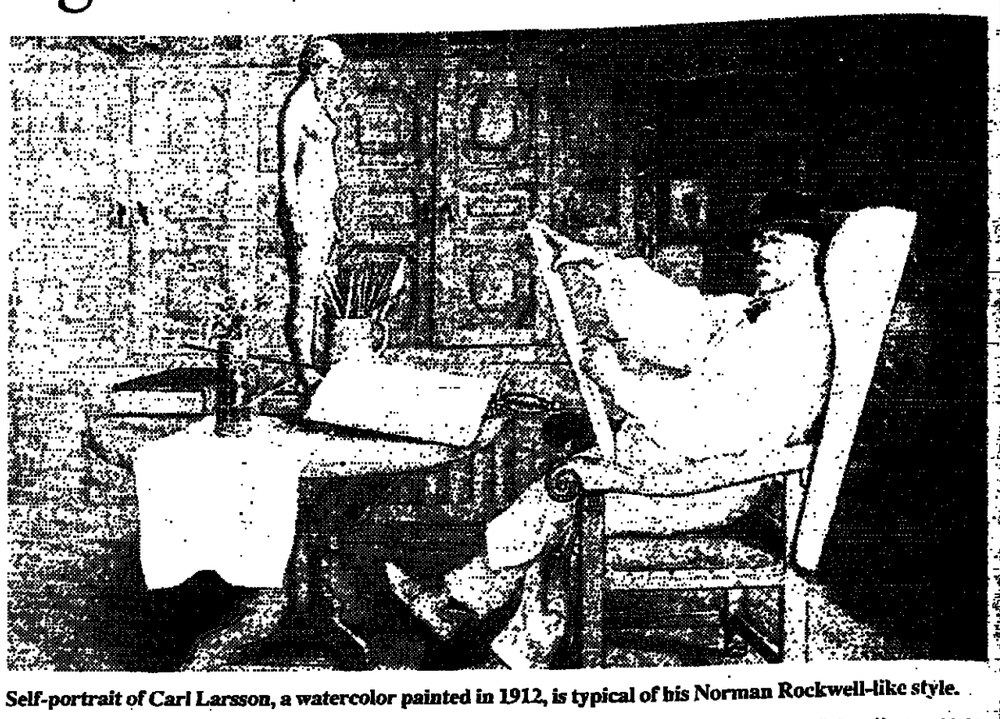
Bathing Sweden in Nordic Light

International Herald Tribune

LONDON — Carl Larsson wanted to paint monumental art and his murals can indeed be seen on the stairway of the National Museum in Stockholm and on the ceiling of its Opera House, but what made him Sweden's most famous artist was watercolors depicting domestic life in Lilla Hyttnas, the country home in Sundborn, north of Stockholm, that Larsson shared with his artist wife, Karin, and their seven children.

The Larssons are currently the subject of their first major exhibition out-



Self-portrait of Carl Larsson, a watercolor painted in 1912, is typical of his Norman Rockwell-like style.

MARY BLUME

side Sweden, part of the great designers series at the Victoria and Albert museum (until Jan. 18). As designers they may seem an odd choice since they never made objects for reproduction or sale: What they did was create what in modern jargon is called a lifestyle, "a permanent dream of Sweden and Swedishness, of a country idyll bathed in Nordic light," Anders Clasen writes in the foreword to the book that accompanies the show, "Carl and Karin Larsson: Creators of the Swedish Style."

The bright simplicity of their home may have owed much to the vernacular style, particularly in the textiles Karin made, but through Carl's prints and books it became an idiom for cheerful domesticity from Japan to the United States where as early as 1892 his painting "My Loved Ones" was hailed as "a joyous cantata to sunlight, life and love." It is a style not unfamiliar to those who have seen Bergman's "Wild Strawberries" and "Fanny and Alexander" or who these days shop at Sweden's international decorating chain, IKEA.

Born in a Stockholm slum in 1853, Larsson had moderate success at the Academy of Fine Arts but failed to win a traveling scholarship. He set off for Paris on his own, determined to become an academic painter. His first attempt, a huge 3-meter canvas, was unfinished because of lack of funds; the second was hung so high at the 1878 Salon that no one could see it. Refused by the Salon in 1882, he later lived in an artists' colony at Grez-sur-Loing, near Fontainebleau, where he met his future wife and converted to *plein-air* realism. But while his compatriots painted outdoors at dusk or before dawn to express a familiar Scandinavian gloom, he preferred broad daylight.

Rather than landscapes, his forte became portraits and interiors, each watercolor figure strengthened by being outlined in black. The V&A show includes his illustrated books, his portrait of Strindberg, unfinished after a spat, and his white artist's smock, which seems to be made of lightweight batiste and has a pink ribbon at the collar, rather like a child's nightgown. Most important, the show includes five rooms, with original pieces, from the Larssons' home.

They inherited their country house from Karin's family and moved there permanently in 1901, their life becoming Carl's subject in paintings and in such illustrated books as "A Home," "My Loved Ones," "Spadarvet, My Little Farm," and "On the Sunny Side." Karin gave up painting since Carl did not think women should paint, but was his partner in decorating and in creating furniture and fabrics.

From Kate Greenaway to Japan and Vienna, Larsson had many influences, the most important being Ruskin, William Morris and the Arts and Crafts Movement that had swept Britain as the country became more industrialized. The dream of Arcadia appealed, as did the idea of the home as a shelter, especially in Sweden's harsh climate; so did the notion of returning to rural tradition instead of what Carl denounced as "the plush, the cretonne . . . that gaudy rubbish" of the comfortable bourgeoisie.

Among their discoveries were not only rough-hewn peasant art but the 18th-century Gustavin style, the Swedish version of Louis XVI, which they painted in light colors and covered in striped or checked fabrics — a style that regained favor in Europe and the United States in the 1980s. One of Carl's designs for a massive rocking chair was so simple that the carpenter was ashamed and would only deliver it after dark.

While the Larssons were creating their house, a Swedish book called "Beauty for Everyone" was written by Ellen Key, espousing the same Ruskinian principles. Beauty, she wrote, was ennobling and available through inexpensive means. She liked light-filled rooms, pearl-gray furniture, plain deal floors and thin white curtains to let the sunshine in. She not only knew the Larssons but stayed with them and held up their aesthetic style and home life as ideals. The same year, 1899, Larsson published his illustrated book about his house and family and their pets and fetes and even their workmen, "A Home." His house and family became famous throughout Sweden.

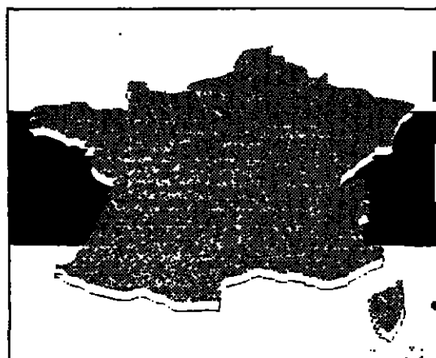
His art, Carl said, was just like his home: "It's modest but harmonious. . . . Nothing extravagant, nothing for connoisseurs." Tiled stoves, red paper lampshades in the shape of cactus flowers held together by paper clips, scrubbed floors, wide horizontal windows with small panes, tongue-and-groove paneling imaginatively painted, golden-haired children — it was all very seductive and still is at the V&A.

The one curious room is Carl's, with its huge curtained bed in the middle of the room, perhaps because Carl never forgot having to fight off rats with his bare hands as a slum child. It is a beautiful room which he did not share with his beloved Karin, who slept with the children next door. It is mostly white and well-scrubbed and among the objects in it that Carl painted for "A Home" is a pistol with the inscription, "Note: not loaded."

His drawings sometimes cloy like Norman Rockwell's but the man was complicated and possibly a manic depressive. In his unpublished memoirs he referred to "my hidden horror of life." The break with Strindberg had occurred when Strindberg attacked him as someone who had built his whole life-enhancing persona on lies.

Carl died in 1919, Karin in 1928; their house is open to the public and is a major tourist attraction. Carl remains so much a part of Swedish cultural identity that the country's new passport, to be issued in 1998, has a Carl Larsson painting, "Crayfishing," inside the front cover.

In 1969, the copyright on Carl's work expired and the market was flooded with imitations, but the pure dream lives on in the prints and in such books as "A Home," republished with a mawkish new text in England in 1976. The Larssons' influence on international home decoration is incalculable: It is surely from gratitude, as well as good business sense, that the current exhibition found a sponsor in IKEA.



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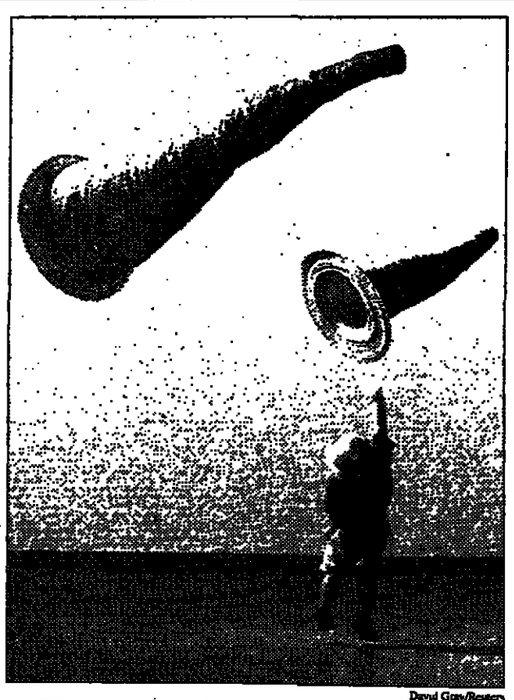
PEOPLE

THE White House has selected **William Ivey**, longtime director of the Country Music Foundation in Nashville, Tennessee, as the new chairman of the National Endowment for the Arts. Ivey, 53, is best known as a proponent of the preservation of historical recordings in both classical and popular music. In recent years he has emerged as a forceful voice on the broader issues of arts policy as a member of the President's Committee on the Arts and Humanities. Ivey, who faces Senate confirmation, would be the first NEA chairman who has developed and run a nonprofit cultural group. He would succeed **Jane Alexander**, who had to deal with cuts in the endowments budget that were instituted by members of Congress opposed to some of its grants. The NEA, with a budget of $98 million, is the single largest source of funding for arts in the United States. A year ago it seemed on the brink of extinction, when Conservative Republicans vowed to eliminate the agency. The said that federal funding of the arts was a waste of taxpayer dollars, and some opponents also felt the NEA had made mistakes in funding what they considered obscene or objectionable art.



David Gray/Reuters

HATS OFF? — A child jumps up, trying to touch one of the traditional Aboriginal weavings on display at the New South Wales Art Gallery in Sydney.

□

The Nobel Prize-winning poet Octavio Paz made a rare public appearance in Mexico City at the inauguration of a cultural foundation honoring him. The 83-year-old Paz dropped out of sight last year when his apartment caught fire, partly damaging many precious books, mementos and art objects. He was later hospitalized with an undisclosed ailment. He smiled as **President Ernesto Zedillo** praised him as a prominent "poet and man of action," thanked the 300 people at the ceremony and spoke about his favorite subject — the soul of Mexico, "a sunny country, a nation where the sun abounds, a prodigious sun, but also a dark and black country."

□

A Japanese physicist who created an artificial crystal and two Belgians who found a new way to transfer genes between plants have won the 1998 Japan Prize, awarded by the Science and Technology Foundation of Japan, the Kyodo News reported. The honorees are: **Leo Esaki**, 72, a Nobel laureate and president of the University of Tsukuba; **Jozef Schell**, 62, a department director at the Max Planck Institute in Germany, and **Marc Van Montagu**, 64, a department director at the Flanders Interuniversity Institute for Biotechnology in Belgium. They will share the 50 million yen (about $385,000) prize.

□

Rod Stewart's fondness for soccer has landed him in court. **Candace Conroy** filed a lawsuit in Detroit, alleging that the rock star injured her when he kicked a soccer ball into the audience at a March 1996 concert in suburban Auburn Hills. Conroy claims she suffered head, neck, face and mouth injuries.

□

Gloria Steinem and **Betty Friedan** are demanding that Time Warner Inc. yank violent lyrics from a hit song by the British group Prodigy. To the tune of "Santa Claus Is Coming to Town," protesters led by Steinem and Friedan sang, "Beating up women is a big vice, Time Warner better beware," at the New York office of Time Warner's chairman, **Gerald Levin**. Prodigy's song, on the group's "The Fat of the Land" album, was released last week under **Madonna's** Maverick label, which is half-owned by a division of Time Warner. The album has sold 2 million copies in the United States. The protesters, also including the actress-singer **Melba Moore**, were turned away from the office, but left a letter asking that the offensive lyrics be eliminated.

□

When **Peter Tiboris** steps to the podium to conduct the Brooklyn Philharmonic in Carnegie Hall on Jan. 18, he will be using a baton once owned by **Leonard Bernstein**. Tiboris paid $8,050 for the ivory baton with an amber lion's head at the auction of Bernstein's possessions at Sotheby's last week.

□

The singer-songwriter **Mary Chapin Carpenter** will give a Christmas Eve concert for U.S. peacekeeping forces in the Bosnian city of Tuzla.

'Amistad' Suit Author Copied From Earlier Book

By Margarett Loke
New York Times Service

NEW YORK — The author who accused Steven Spielberg's studio of "brazenly" stealing from her work in the movie "Amistad" wrote a 1986 novel containing entire passages that appeared in a scholarly book published 50 years earlier.

In a $10 million copyright infringement lawsuit, the author, Barbara Chase-Riboud, contends that the DreamWorks studio improperly lifted material from her 1989 historical novel, "Echo of Lions," for Spielberg's new film about a revolt in 1839 aboard a slave ship bound for the United States.

A reading of an earlier book by Chase-Riboud, "Valide: A Novel of the Harem," shows that several passages in it were lifted from a 1936 nonfiction work by the British scholar N. M. Penzer entitled "The Harem."

Chase-Riboud acknowledged in an interview that she had used material from the earlier book without attribution and asserted that she had done nothing wrong. During the interview Thursday, Chase-Riboud, speaking of "The Harem," said: "Well, my dear, first of all, that book is not a novel. It is a nonfiction book that I used as reference. I have a technique of sort of weaving real documents and real reference materials into my novel and making a kind of seamless narrative using both documents and fiction." Since one section of appropriated material in "Valide" was indented, she maintains, "it is obvious to the reader that it came from documented sources."